

Idaho Economic Forecast

C.L. "Butch" Otter, Governor

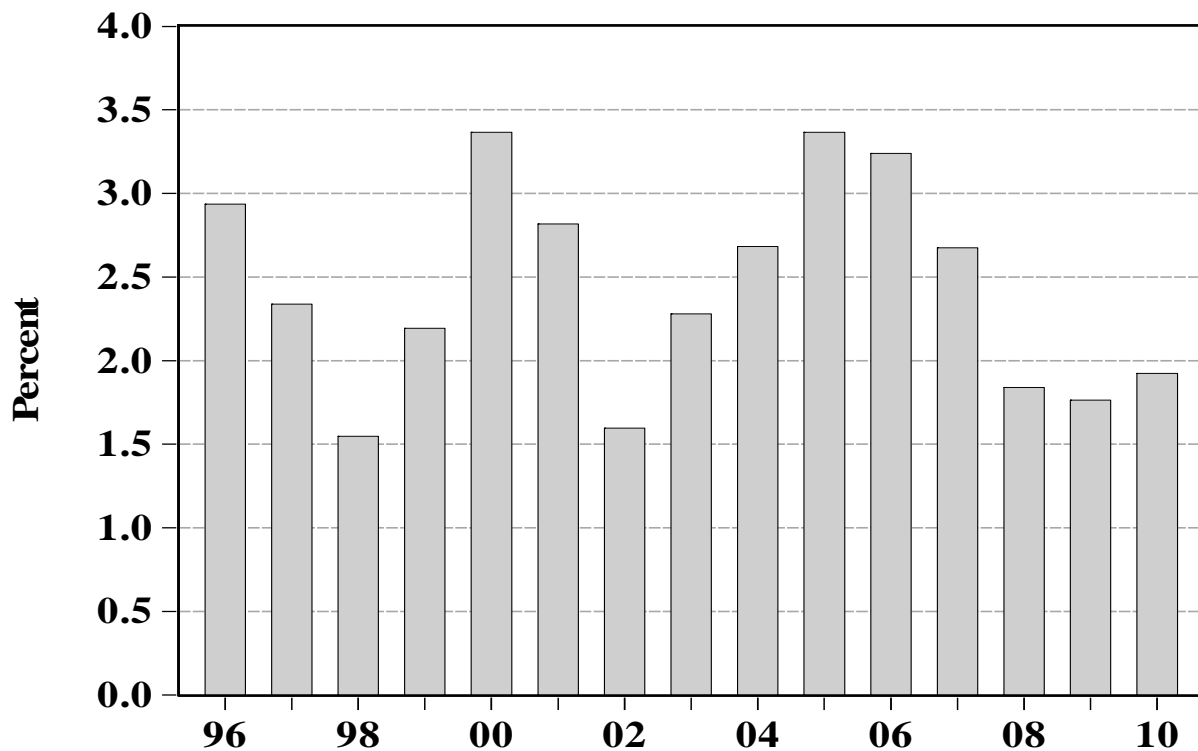
Division of Financial Management

Vol. XXIX, No. 4
October 2007

ISSN 8756-1840

- Forecast 2007-2010
- As Boomers Slow Down, So Might the Economy
- Alternative Forecasts

Consumer Price Inflation



Source: Global Insight

**IDAHO
ECONOMIC
FORECAST
2007 - 2010**

State of Idaho
C.L. “BUTCH” OTTER
Governor

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10-07/385/010200-180-4001

PREFACE

Idaho's economy continues to grow and evolve as it enters the 21st Century. The 1980s was a decade of stop-and-start economic performance. However, it also ushered in one of the longest expansions in the state's history. Since 1987, nonfarm employment has expanded every year and has consistently placed Idaho among the top ten fastest growing states in the nation. The 1990s saw a flood of new residents move into the state, causing the population to expand by an astounding 29% from 1990 to 2000. Over this period Idaho personal income nearly doubled. Much of the current expansion results from ongoing structural changes in Idaho's economy.

One of the biggest changes is the rise of the state's high-technology sector. Virtually nonexistent in the 1970s, this sector achieved critical mass in the 1990s to become the state's largest manufacturing employer. The growth of industry giants, such as Micron Technology and Hewlett-Packard, as well as the emergence and expansion of smaller companies, pushed payrolls above even the most optimistic forecasts made in the 1980s. The state's trade sector has also been going through a transformation. The last decade witnessed an influx of national "big box" merchandisers. During this same time, Idaho merchants successfully reached beyond the state's borders. Several regional shopping centers were established that serve locals, as well as attract shoppers from other states and Canada. Visitors fueled the surge in tourism that also benefited trade. Like its national counterpart, the service sector accounts for most of the nonfarm jobs in Idaho. Tourism has also been a boon to the service industry. While traditional factors, such as increasing discretionary income, continue to fuel the demand for services, other influences have emerged. For example, the use of temporary employees in manufacturing has bolstered business services employment. Idaho's outstanding work force has been a major factor in attracting call centers, back office operations, and credit card companies.

While many changes are taking place today, traditional resource industries still play a major role in Idaho's economy. Indeed, the state's mining, agriculture, and timber sectors all experienced lulls in the late 1990s. While displaying more resilience to downturns than in the past, these industries are not totally immune from business-cycle effects. The continuing dependence on natural resources will bring a host of challenges to Idaho.

Other factors that are external to the state's economy will also present challenges to decision makers. Public policy decisions made in Washington, D.C. affect resource industry and federal installations such as the Idaho National Laboratory and the Mountain Home Air Force Base. Finding balanced and acceptable solutions to endangered and threatened species issues and timber supply issues are of major economic significance.

In order to deal effectively with these challenges, public and private decisions need to be made with a thorough understanding of the structure of the state's economy. It is to this end that the *Idaho Economic Forecast* is directed.

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INTRODUCTION

The national forecast presented in this publication is the October 2007 Global Insight baseline forecast of the U.S. economy. The previous *Idaho Economic Forecast* is based on the July 2007 Global Insight baseline national forecast.

The recent history and forecast for inflation, as measured by the consumer price index is summarized in the chart on the cover of the *Forecast*. It shows consumer inflation is expected to rise 2.7% in 2007, 1.8% in both 2008 and 2009, and 1.9% in 2010. The core inflation (all items less food and energy) rate is expected to be 2.3% this year, 1.8% next year, 1.8% in 2009, and 2.0% in 2010.

FEATURE

This *Forecast's* feature article is entitled, "As the Boomers Slow Down, So Might the Economy." It was written by Kevin L. Kliesen, who is an Associate Economist with the Federal Reserve Bank of St. Louis. Mr. Kliesen points out that countless studies have tried to estimate the fiscal implications of the pending retirement of this generation. Perhaps less known to the public are the implications for U.S. labor markets of retiring baby boomers and, thus, the future growth rates of real GDP. In order to explore these consequences, he uses a standard growth accounting framework.

THE FORECAST

Alternative assumptions concerning future movements of key economic variables can lead to major variations in national and/or regional outlooks. Global Insight examines the effects of different economic scenarios, including the potential impacts of international recessions, higher inflation, and future Federal Reserve Board decisions. Alternative Idaho economic forecasts were developed under different policy and growth scenarios at the national level. These forecasts are included in this report.

Historical and forecast data for Idaho and the U.S. are presented in the tables in the middle section of this report. Detail is provided for every year from 1993 to 2010 and for every quarter from 2005 through 2010. The solution of the Idaho Economic Model (IEM) for this forecast begins with the third quarter of 2007.

Descriptions of the Global Insight U.S. Macroeconomic Model and the IEM are provided in the Appendix. Equations of the IEM and variable definitions are listed in the last pages of this publication.

CHANGES

The Idaho Department of Labor provided monthly historical employment data that was seasonally adjusted and converted to a quarterly frequency by the Idaho Division of Financial Management (DFM). These adjusted data include final employment numbers through the first quarter of this year and estimates for the second quarter. These data show Idaho nonfarm employment grew slower than had been anticipated the first half of this year. In July, DFM predicted Idaho nonfarm employment would grow at a 4.4% annual pace in the first quarter of 2007. The new data show it expanded at a 3.9% clip. There is a larger difference in the following quarter. The July 2007 forecast showed jobs growing at a 0.5% clip in the second quarter of 2007, but the most recent estimate showed it actually decreased at a 1.9% annual pace. As a result, there were an estimated 648,520 nonfarm jobs at the end of this year's first half, compared to 653,044 in the previous forecast—a 0.7% difference.

The tables in this forecast include the U.S. Bureau of Economic Analysis' (BEA) September 20, 2007 estimates of Idaho quarterly personal income through the second quarter of 2007. The quarterly estimates

were revised back through the first quarter of 2004. The BEA will publish its next round of Idaho quarterly personal income estimates on December 19, 2007.

The *Idaho Economic Forecast* is available on the Internet at http://dfm.idaho.gov/Publications/Econ_Publications.html. Readers with any questions should contact Derek Santos at (208) 854-3070 or at dsantos@dfm.idaho.gov.

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EXECUTIVE SUMMARY

The Idaho economic outlook has been ratcheted down slightly since this summer. This adjustment reflects the third time this year we have reduced our employment forecast. At the beginning of the year nonfarm employment was expected to grow 2.5% per year from 2006 to 2010. In April 2007, this growth rate was reduced to 2.4%. In July 2007, we projected Idaho nonfarm employment would advance 2.3% annually. In the current forecast, nonfarm employment average growth is scaled back to 2.1%. These changes reflect the impacts of incorporating more up-to-date employment data, the lower growth trajectory for the national economy, and job reductions in the manufacturing sector. The 1,100-job reduction by Micron Technology was first incorporated into the July 2007 *Idaho Economic Forecast*. The company is the state's largest private employer, so its jobs cut will be felt both behind and beyond its gate. As was reported in July 2007, a reasonable estimate is that for every job lost at Micron, another one will be lost somewhere else in the economy. The state's housing sector's future is less bright than it appeared last summer, with both housing starts and construction employment adjusted downward from their previous levels. Specifically, there are 138 fewer starts in 2008, 561 fewer starts in 2009, and 637 fewer starts in 2010. These lower housing starts have dampened the current outlook for future construction employment. Last summer, construction employment was expected to go from about 52,100 jobs in 2006 to just under 49,600 jobs in 2010. However, construction employment drops off more steeply in the current forecast. It declines 1.7% annually, leaving construction employment about 840 jobs lower than in the July 2007 forecast. The good news is that while the Gem State's economy will stall, it will not stop. It will be carried by the nongoods-manufacturing sector, which is expected to see its job growth actually accelerate from 2.4% in 2007 to 3.1% in 2010. The following service components are major contributors to this sector's predicted success: professional and business, education and health, and leisure and hospitality. Idaho nonfarm employment is forecast to grow an average of 2.1% per year. At this rate the number of Idaho nonfarm jobs rises from 638,899 in 2006 to 693,178 in 2010. Over this same period, Idaho real personal income is forecast to expand at a 4.4% average annual clip.

Like the fall weather, the national economic outlook has cooled since the last *Forecast* was published in July 2007. This change can be seen in several economic measures. In July 2007, real GDP was expected to advance an average of 2.7% per year over the forecast period. In the current *Forecast* real GDP rises 2.4% annually. This difference may appear negligible, but as a result of the slower growth, real output is a quarter trillion dollars lower (2.0%) in 2010 compared to the previous forecast. These comparisons of annual projections provide an overview of how the national economic climate has changed recently. However useful, focusing on the annual numbers mask other important changes. In order to get a better grasp on the depth and duration of the slowdown, we turn to quarterly data. In July 2007 it was reported the economy would cool during the second half of this year and the first half of next year. Specifically, after spiking at a 3.8% annual rate in the second quarter of 2007, real output growth would downshift to under 3.0%, where it would remain until the third quarter of 2008. In terms of depth and duration, the slowdown in the October 2007 forecast is more severe than in the July 2007 forecast. Like in the previous forecast, real GDP growth drops below 3.0% beginning in the third quarter of this year, but continues until the fourth quarter of 2008. Because the recovery is delayed for one quarter, real GDP growth is weaker over this period. Specifically, real GDP expands 2.5% from the third quarter of 2007 to the third quarter of 2008. In comparison, real GDP increases 3.5% over this same period in the previous forecast. While the details differ, both forecasts agree the economy will be fragile over the next few months. The most likely path for the current forecast is for the economy to avoid a recession and begin picking up steam again in the second half of next year and continue expanding through 2010.

**IDAHO ECONOMIC FORECAST
EXECUTIVE SUMMARY
OCTOBER 2007**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
U.S. GDP (BILLIONS)												
Current \$	9,268	9,817	10,128	10,470	10,961	11,686	12,434	13,195	13,804	14,321	15,020	15,741
% Ch	6.0%	5.9%	3.2%	3.4%	4.7%	6.6%	6.4%	6.1%	4.6%	3.7%	4.9%	4.8%
2000 Chain-Weighted	9,470	9,817	9,891	10,049	10,301	10,676	11,004	11,319	11,542	11,778	12,123	12,460
% Ch	4.4%	3.7%	0.8%	1.6%	2.5%	3.6%	3.1%	2.9%	2.0%	2.0%	2.9%	2.8%
PERSONAL INCOME - CURR \$												
Idaho (Millions)	29,068	31,290	33,054	33,849	34,816	38,123	40,414	43,917	47,235	49,869	52,840	56,363
% Ch	6.5%	7.6%	5.6%	2.4%	2.9%	9.5%	6.0%	8.7%	7.6%	5.6%	6.0%	6.7%
Idaho Nonfarm (Millions)	28,054	30,448	32,039	32,921	34,099	37,136	39,539	43,266	46,266	48,813	51,727	55,198
% Ch	6.5%	8.5%	5.2%	2.8%	3.6%	8.9%	6.5%	9.4%	6.9%	5.5%	6.0%	6.7%
U.S. (Billions)	7,802	8,430	8,724	8,882	9,164	9,727	10,301	10,983	11,695	12,255	12,875	13,550
% Ch	5.1%	8.0%	3.5%	1.8%	3.2%	6.2%	5.9%	6.6%	6.5%	4.8%	5.1%	5.2%
PERSONAL INCOME - 2000 \$												
Idaho (Millions)	29,788	31,289	32,376	32,690	32,970	35,167	36,214	38,295	40,241	41,728	43,453	45,504
% Ch	4.8%	5.0%	3.5%	1.0%	0.9%	6.7%	3.0%	5.7%	5.1%	3.7%	4.1%	4.7%
Idaho Nonfarm (Millions)	28,748	30,447	31,382	31,795	32,290	34,256	35,429	37,727	39,415	40,844	42,538	44,564
% Ch	4.7%	5.9%	3.1%	1.3%	1.6%	6.1%	3.4%	6.5%	4.5%	3.6%	4.1%	4.8%
U.S. (Billions)	7,996	8,429	8,545	8,578	8,678	8,973	9,231	9,578	9,963	10,255	10,588	10,940
% Ch	3.4%	5.4%	1.4%	0.4%	1.2%	3.4%	2.9%	3.8%	4.0%	2.9%	3.2%	3.3%
HOUSING STARTS												
Idaho	10,363	11,501	12,206	13,224	16,378	18,631	23,305	19,414	16,138	16,470	16,789	17,674
% Ch	2.0%	11.0%	6.1%	8.3%	23.8%	13.8%	25.1%	-16.7%	-16.9%	2.1%	1.9%	5.3%
U.S. (Millions)	1,647	1,573	1,601	1,710	1,854	1,950	2,073	1,812	1,344	1,116	1,403	1,586
% Ch	1.6%	-4.5%	1.8%	6.8%	8.4%	5.2%	6.3%	-12.6%	-25.8%	-17.0%	25.7%	13.1%
TOTAL NONFARM EMPLOYMENT												
Idaho	538,101	558,581	568,033	568,043	572,544	588,059	611,713	638,899	650,898	659,784	673,918	693,178
% Ch	3.4%	3.8%	1.7%	0.0%	0.8%	2.7%	4.0%	4.4%	1.9%	1.4%	2.1%	2.9%
U.S. (Thousands)	128,992	131,792	131,832	130,347	129,990	131,423	133,696	136,175	137,919	138,949	140,654	142,375
% Ch	2.4%	2.2%	0.0%	-1.1%	-0.3%	1.1%	1.7%	1.9%	1.3%	0.7%	1.2%	1.2%
SELECTED INTEREST RATES												
Federal Funds	5.0%	6.2%	3.9%	1.7%	1.1%	1.3%	3.2%	5.0%	5.0%	4.3%	4.6%	4.8%
Bank Prime	8.0%	9.2%	6.9%	4.7%	4.1%	4.3%	6.2%	8.0%	8.1%	7.3%	7.6%	7.8%
Existing Home Mortgage	7.3%	8.0%	7.0%	6.5%	5.7%	5.7%	5.9%	6.6%	6.5%	6.5%	6.8%	7.0%
INFLATION												
GDP Price Deflator	1.4%	2.2%	2.4%	1.7%	2.1%	2.9%	3.2%	3.2%	2.6%	1.7%	1.9%	2.0%
Personal Cons Deflator	1.7%	2.5%	2.1%	1.4%	2.0%	2.6%	2.9%	2.8%	2.4%	1.8%	1.7%	1.9%
Consumer Price Index	2.2%	3.4%	2.8%	1.6%	2.3%	2.7%	3.4%	3.2%	2.7%	1.8%	1.8%	1.9%

**National Variables Forecast by GLOBAL INSIGHT
Forecast Begins the THIRD Quarter of 2007**

**IDAHO ECONOMIC FORECAST
EXECUTIVE SUMMARY
OCTOBER 2007**

	2007				2008				2009			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
U.S. GDP (BILLIONS)												
Current \$	13,552	13,769	13,892	14,002	14,106	14,232	14,390	14,556	14,749	14,929	15,108	15,296
% Ch	4.9%	6.6%	3.6%	3.2%	3.0%	3.6%	4.5%	4.7%	5.4%	5.0%	4.9%	5.1%
2000 Chain-Weighted	11,413	11,520	11,597	11,639	11,674	11,729	11,810	11,899	11,992	12,080	12,165	12,255
% Ch	0.6%	3.8%	2.7%	1.5%	1.2%	1.9%	2.8%	3.0%	3.2%	3.0%	2.8%	3.0%
PERSONAL INCOME - CURR \$												
Idaho (Millions)	46,384	46,818	47,560	48,177	48,901	49,504	50,197	50,875	51,601	52,424	53,251	54,083
% Ch	11.1%	3.8%	6.5%	5.3%	6.1%	5.0%	5.7%	5.5%	5.8%	6.5%	6.5%	6.4%
Idaho Nonfarm (Millions)	45,384	45,994	46,547	47,137	47,812	48,455	49,167	49,819	50,483	51,331	52,144	52,952
% Ch	8.4%	5.5%	4.9%	5.2%	5.8%	5.5%	6.0%	5.4%	5.4%	6.9%	6.5%	6.3%
U.S. (Billions)	11,469	11,619	11,776	11,914	12,054	12,184	12,317	12,466	12,627	12,792	12,954	13,126
% Ch	10.0%	5.3%	5.5%	4.8%	4.8%	4.4%	4.4%	4.9%	5.2%	5.3%	5.2%	5.4%
PERSONAL INCOME - 2000 \$												
Idaho (Millions)	39,942	39,898	40,389	40,734	41,175	41,506	41,908	42,323	42,750	43,213	43,676	44,172
% Ch	7.3%	-0.4%	5.0%	3.5%	4.4%	3.3%	3.9%	4.0%	4.1%	4.4%	4.4%	4.6%
Idaho Nonfarm (Millions)	39,081	39,196	39,529	39,855	40,258	40,627	41,048	41,445	41,823	42,312	42,768	43,248
% Ch	4.7%	1.2%	3.5%	3.3%	4.1%	3.7%	4.2%	3.9%	3.7%	4.8%	4.4%	4.6%
U.S. (Billions)	9,876	9,902	10,001	10,073	10,149	10,215	10,283	10,371	10,461	10,544	10,625	10,721
% Ch	6.3%	1.0%	4.1%	2.9%	3.0%	2.6%	2.7%	3.5%	3.5%	3.2%	3.1%	3.7%
HOUSING STARTS												
Idaho	16,614	15,718	16,150	16,068	16,389	16,722	16,924	15,845	15,146	18,201	17,545	16,262
% Ch	43.0%	-19.9%	11.5%	-2.0%	8.2%	8.4%	4.9%	-23.2%	-16.5%	108.5%	-13.7%	-26.2%
U.S. (Millions)	1,460	1,464	1,310	1,141	1,013	1,072	1,151	1,229	1,310	1,380	1,435	1,485
% Ch	-22.1%	1.1%	-35.9%	-42.4%	-37.9%	25.4%	32.8%	30.0%	29.2%	23.1%	16.8%	14.8%
TOTAL NONFARM EMPLOYMENT												
Idaho	651,570	648,520	651,033	652,471	655,170	658,078	661,577	664,310	666,915	671,796	676,411	680,549
% Ch	3.9%	-1.9%	1.6%	0.9%	1.7%	1.8%	2.1%	1.7%	1.6%	3.0%	2.8%	2.5%
U.S. (Thousands)	137,447	137,864	138,072	138,294	138,469	138,733	139,094	139,502	139,977	140,457	140,874	141,309
% Ch	1.5%	1.2%	0.6%	0.6%	0.5%	0.8%	1.0%	1.2%	1.4%	1.4%	1.2%	1.2%
SELECTED INTEREST RATES												
Federal Funds	5.3%	5.3%	5.1%	4.5%	4.3%	4.3%	4.3%	4.3%	4.3%	4.5%	4.8%	4.8%
Bank Prime	8.3%	8.3%	8.2%	7.5%	7.3%	7.3%	7.3%	7.3%	7.3%	7.5%	7.8%	7.8%
Existing Home Mortgage	6.4%	6.5%	6.7%	6.5%	6.5%	6.4%	6.4%	6.5%	6.6%	6.8%	7.0%	7.0%
INFLATION												
GDP Price Deflator	4.2%	2.6%	0.9%	1.7%	1.8%	1.7%	1.6%	1.6%	2.1%	2.0%	2.0%	2.0%
Personal Cons Deflator	3.5%	4.3%	1.4%	1.8%	1.7%	1.7%	1.7%	1.4%	1.7%	2.0%	2.0%	1.7%
Consumer Price Index	3.8%	6.0%	1.8%	1.6%	1.5%	1.6%	1.6%	1.3%	1.7%	2.3%	2.2%	1.7%

**National Variables Forecast by GLOBAL INSIGHT
Forecast Begins the THIRD Quarter of 2007**

NATIONAL FORECAST DESCRIPTION

The Forecast Period is the Third Quarter of 2007 through the Fourth Quarter of 2010

Like the fall weather, the national economic outlook has cooled since the last *Forecast* was published in July 2007. This change can be seen in several economic measures. In July 2007, real GDP was expected to advance an average of 2.7% per year over the forecast period. In the current *Forecast* real GDP rises 2.4% annually. This difference may appear negligible, but as a result of the slower growth, real output is a quarter trillion dollars lower (2.0%) in 2010 compared to the previous forecast. The national employment forecast has also been scaled back. In fact, by 2010, there are nearly 1.1 million fewer jobs than in the July 2007 *Forecast*. Given the weaker employment forecast, it comes as no surprise real personal income loses ground over the next few years, coming in at \$10.9 trillion versus the previously anticipated \$11.0 trillion.

These comparisons of annual projections provide an overview of how the national economic climate has changed recently. However useful, focusing on the annual numbers mask other important changes. In order to get a better grasp on the depth and duration of the slowdown, we turn to quarterly data. In July 2007 it was reported the economy would cool during the second half of this year and the first half of next year. Specifically, after spiking at a 3.8% annual rate in the second quarter of 2007, real output growth would downshift to under 3.0%, where it would remain until the third quarter of 2008.

In terms of depth and duration, the slowdown in the October 2007 forecast is more severe than in the July 2007 forecast. Like in the previous forecast, real GDP growth drops below 3.0% beginning in the third quarter of this year. However, the current forecast's slowdown ends in the fourth quarter of next year. Thus, it is one quarter longer than its July 2007 counterpart. Because the recovery is delayed for one quarter, real GDP growth is weaker over this period. Specifically, real GDP expands 2.5% from the third quarter of 2007 to the third quarter of 2008. In comparison, real GDP increases 3.5% over this same period in the previous forecast.

While the details differ, both forecasts agree the economy will be fragile over the next few months. The most likely path for the current forecast is for the economy to avoid a recession and begin picking up steam again in the second half of next year and continue expanding through 2010. However, the possibility of a negative detour has increased since this summer.

According to Global Insight, Inc., there was a 20% chance in July 2007 the economy would turn in a subpar performance. In October 2007, the company raised the probability of a weaker-than-expected outcome to 30%. Unfortunately, not only has the likelihood of a slowdown increased since the summer, but also its severity. In the July 2007 pessimistic alternative, growth slows, but manages to just skirt a recession. The economy is not so fortunate in the October 2007 alternative forecast. In this scenario, the economy slips into a two-quarter recession beginning with the last quarter of 2007. Specifically, real GDP shrinks at a 0.4% annualized pace in the fourth quarter of 2007 and at a 0.8% clip in the first quarter of 2008. Hampered by the recession, real GDP averages just 1.6% annual growth over the forecast period, versus the 1.8% pace predicted in July 2007.

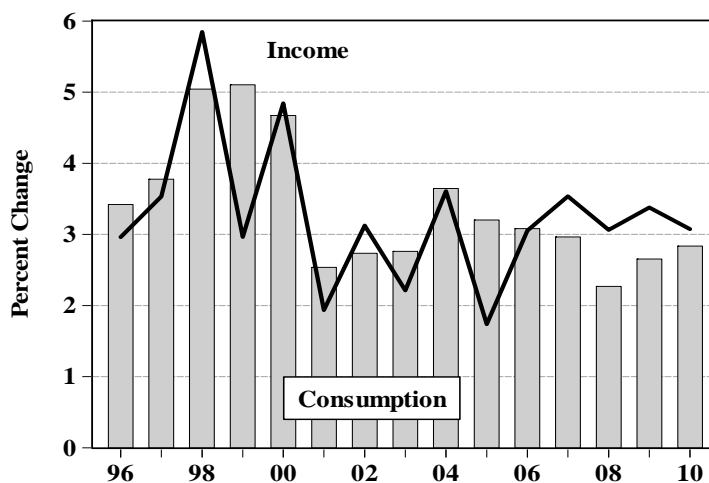
SELECTED NATIONAL ECONOMIC INDICATORS

Consumer Spending: American consumers are expected to spend within their means over the forecast period, which will be a change from their recent spendthrift ways. Real spending grew by at least 3.0% annually from 2003 through 2006, thanks in large part to the booming housing sector. The housing sector had a two-pronged impact on spending. First, consumers splurged on durable goods to fill their new abodes. Second, rising home values allowed giddy consumers to tap into their rising equity. In addition, a healthy job market gave consumers the confidence they needed to increase their debt burdens. But this confidence has been shaken recently by the interplay of tightening credit conditions and eroding home values. And rising energy prices have acted like a tax on consumers,

reducing disposable income. Spending rose a meager 1.4% during the second quarter of 2007. It is expected to bounce back to a 3.4% annual pace in the third quarter. However, this respite should be short lived, as the recent oil price climb above \$90 per barrel slows spending to a 2.1% annual pace in the third quarter of 2007. This slowing persists through the first half of next year, as home prices decline further. Tightening credit conditions and resets on variable-rate loans will cause more financial stress for highly leveraged homeowners. Sales of appliances, home furnishings, and decorations will be particularly hard hit. Specifically, after advancing nearly 12.0% in 2006, real spending on this category is forecast to expand by just 3.0% in 2008. Meanwhile, stubbornly high energy prices will impede the recovery in auto sales. Light vehicle sales are projected to average about 16 million units in both 2007 and 2008, which is well below their peak of 17.3 million units in 2000. As consumers watch alternative financing sources dwindle, real spending growth will fall in line with real disposable income growth. Real spending has expanded faster than disposable income growth since 2003. This gap was the widest in 2005 when spending increased 3.2% and income advanced 1.7%. Over the forecast period the roles for income and spending reverse, with the former growing faster than the latter in every year. Specifically, U.S. real disposable income is projected to rise 3.5% this year, 3.1% next year, 3.4% in 2009, and 3.1% in 2010. Real spending is predicted to increase 3.0% in 2007, 2.3% in 2008, and 2.7% in 2009, and 2.8% in 2010. One positive aspect of slower consumer spending is the U.S. personal savings rate is expected to rise from its 73-year low of 0.4% in 2006 to 2.4% in 2010.

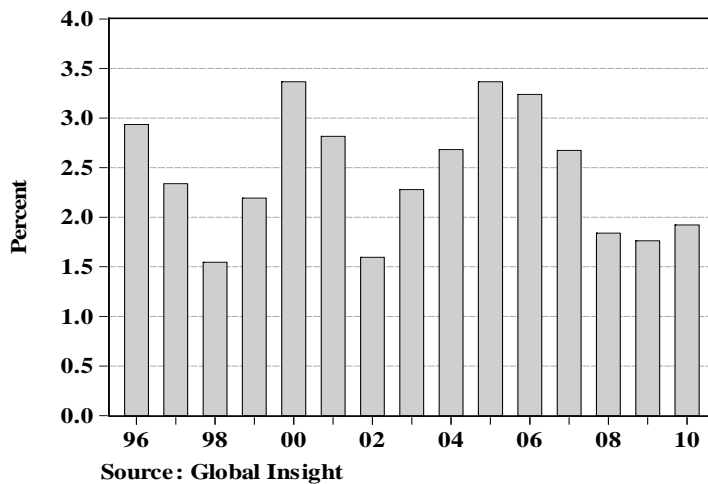
Inflation: Consumer inflation peaked in 2006 at 3.2% and should moderate over the forecast period. It will improve marginally at first, thanks to soaring energy prices earlier this year. The energy component portion of consumer inflation jumped at an annual 17.7% pace in 2007's first quarter followed by a 96.7% annual pace in the second quarter. Energy prices should ease in the second half of this year, but not nearly enough to offset the earlier run up. For example, the retail price of gasoline rose from \$2.33 per gallon to \$3.06 per gallon from the end of last year to the second quarter of 2007, a 31.3% jump. But it is projected to drop just 9.5% to \$2.77 per gallon by the end of this year. It should remain above \$2.70 per gallon for the duration of the forecast. Given the relative stability of energy prices, more attention will turn to employment costs. These costs are expected to advance steadily at about a 3.0% pace over the next few years. Wages should be the slowest growing component of these costs, rising about 3.0%

U.S. Real Consumption and Disposable Income Growth



Source: Global Insight

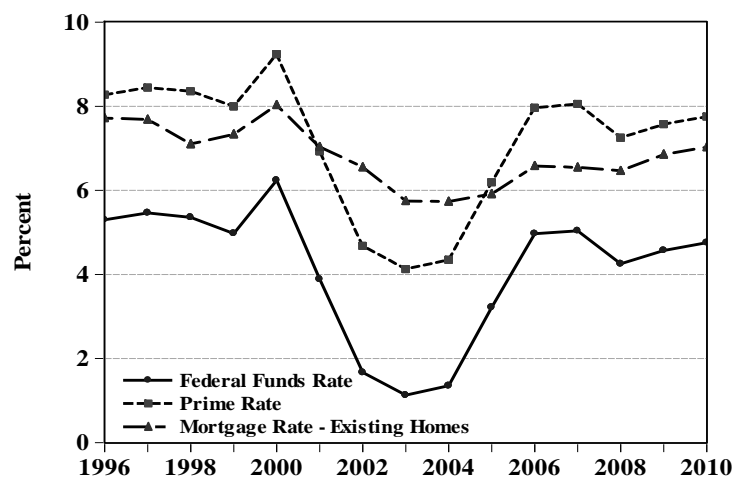
Consumer Price Inflation



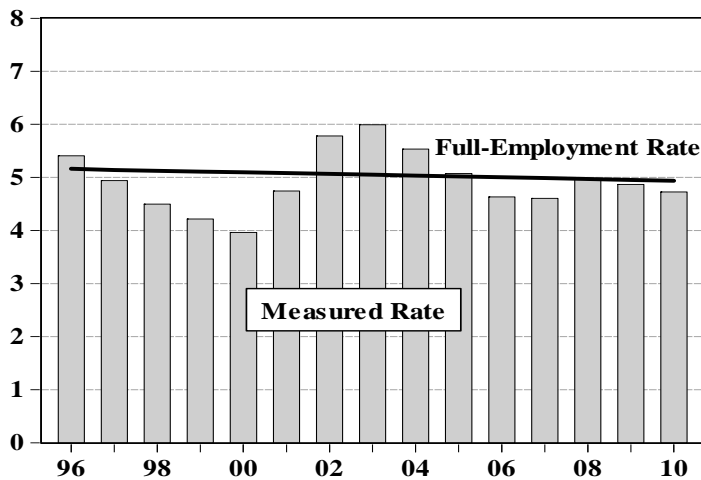
per year. This stability reflects the cooling of the labor market. In addition, wage gains are held down by recovering productivity. On the other hand, benefits will grow faster than overall employment costs, reflecting the pressure from rising health insurance costs. In summary, consumer inflation is forecast to rise 2.7% in 2007, 1.8% in both 2008 and 2009, and 1.9% in 2010. The core inflation (all items less food and energy) rate is expected to be 2.3% this year, 1.8% next year, 1.8% in 2009, and 2.0% in 2010. The Federal Reserve uses the consumer spending chain price index when determining monetary policy. This measure is expected to average just under 2.0% over the forecast period, which is just inside the Federal Reserve's 1%-2% comfort zone.

Financial Markets: Central banks are responding forcefully to credit market stresses in the United States and Europe. First, beginning in early August, the European Central Bank (ECB) and the Federal Reserve have provided much higher liquidity to the money markets. Other G-7 central banks have also provided liquidity, but on a smaller scale. Second, the Federal Reserve cut the discount rate by 50 basis points on August 17, to 5.75%, substantially broadened the collateral accepted for discount window financing, and extended the terms for borrowing from overnight to 30 days. Other central banks also altered the trajectory of their monetary policy. On September 6, the ECB deviated from its intended plan to raise interest rates, and it instead kept them unchanged. The Bank of Japan made a similar decision in late August. Third, the Federal Reserve reduced its bellwether federal funds rate by 50 basis points on September 18 from 5.25% to 4.75% and its discount rate from 5.75% to 5.25%. The federal funds reduction had been anticipated for some time. What was surprising was the size of the federal funds cut. Given the Federal Reserve's recent resistance to lowering the federal funds rate, most experts assumed the central bank would take a gradualist approach and reduce it by 25 basis points. According to the Federal Reserve, the 50-basis point reduction to its target funds rate was appropriate to help offset the effects of tighter financial conditions on the economic outlook. Without such policy actions, the tightening credit conditions and an intensifying housing correction would lead to a significantly broader weakness in output and employment. Given the expectation for a cooling economy and moderating inflation, the odds are better than even the nation's central bank will cut the federal funds rate again before this year is over.

Selected U.S. Interest Rates



U.S. Civilian Unemployment Rate



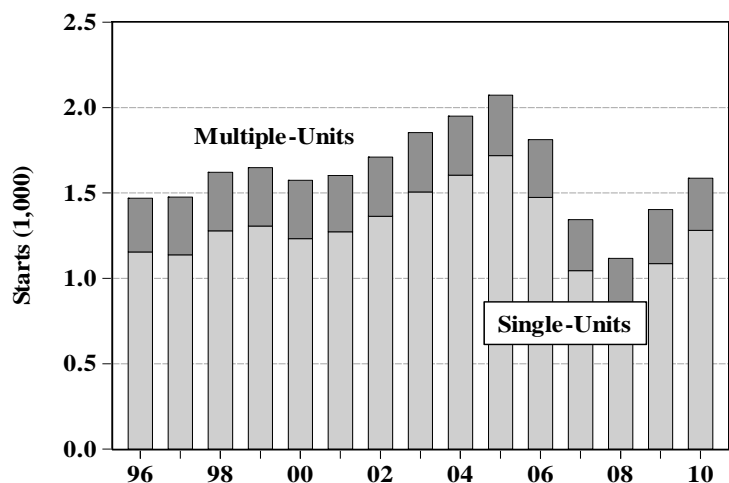
Source: Global Insight

Employment: The September payrolls report was almost as positive as the August jobs report was dreary. Payrolls fell by 4,000 in August. Moreover, previously-reported June and July estimates were revised down by a cumulative 81,000 jobs. In other words, according to the August report, the labor market lost not just one month's worth of job gains, but almost two compared to consensus expectations. The September report showed the employment picture was not as bleak as had been previously reported. Specifically, employment increased 110,000 jobs in September. But more importantly, August employment was revised from the 4,000 job decrease to an 89,000 increase. Poorly measured state and local employment was the cause of

the revision. The residential construction slump left its fingerprints all over the September jobs report, with residential construction, non-deposit financial institutions, and building material stores reporting payroll declines. Manufacturing industries with clear ties to housing (like wood, furniture, and textile product mills) accounted for almost half of manufacturing employment cutbacks. It should be pointed out that while employment has been growing, its pace has been slowing. The average monthly gains per quarter have declined steadily from 202,000 jobs in the third quarter of 2006 to 97,000 in the third quarter of 2007. The last half of 2007 through the first half of 2008 is expected to be a lean time for employment growth. During this period average monthly gains should slip further to 72,000 jobs. On an annual basis, employment is forecast to expand 1.3% in 2007 and just 0.7% in 2008—the worst showing since 2002. Employment is expected to recover slightly thereafter, posting 1.2% gains in both 2009 and 2010. The subdued job creation will cause the civilian unemployment rate to drift away from its full-employment level. This closely-watched measure is 4.6% in 2007, 5.0% in 2008, 4.9% in 2009, and 4.7% in 2010.

Housing: The U.S. housing sector has been in a recession for nearly two years. As miserable as the downturn has been, it is likely to take a turn for the worse over the second half of this year because of the turmoil in the financial markets. Recent data confirms the housing situation did not improve this summer. For example, nearly every major housing indicator—including housing starts, housing permits, and existing home sales—was down in July, while inventories of existing homes rose to a record level. Given this huge housing inventory overhang, it is no wonder home builders are in a funk. The August 2007 National Association of Home Builders/Wells Fargo Housing market index showed builders' sentiment for the next six months fell to its lowest

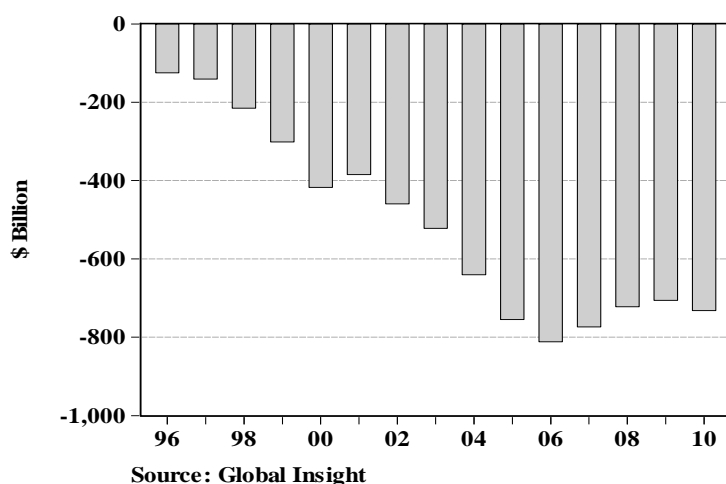
U.S. Housing Starts



Source: Global Insight

level since January 1991. Unfortunately, recent events have made it harder to work off the current housing inventory. It was much easier to get a mortgage in August than it was in September. This is especially true for subprime, Alt-A, jumbo, and adjustable loans, but even fixed-rate prime conforming loans have higher risk premiums than they had earlier this year. In some parts of the country builders have resorted to adding more amenities to their homes and cutting their prices in an effort to reduce inventory. It is the latter move that will eventually help the housing sector recover. The median price of an existing single-family home is expected to drop 2.8% in 2007 and 9.5% in 2008. These price declines will stimulate new and existing home sales. The rebound in home sales will draw down inventories and set the stage for a rebound in new home construction. While falling prices is a key ingredient in the recipe in the housing recovery, other factors also contribute to the turnaround. Over the long run, new household formations, demand for second homes, and replacement demand account for 1.5-1.7 million starts per year. Even with this support, the housing sector will recover slowly. Specifically, housing starts are expected to be 1.34 million units in 2007, 1.12 million units in 2008, 1.40 million units in 2009, and 1.59 million units in 2010.

U.S. Current Account Deficit



International: The United States' current account deficit is expected to shrink, but not disappear, over the forecast period. The current account went from having a small surplus (\$2.9 billion) in 1991 to an enormous deficit (\$811.5 billion) in 2006. Most of this increase reflects the lopsided trade situation in which imports outpaced exports. During this period imports grew an average of 9.2% per year while exports increased 6.1%. In recent years, the import bill has been distorted by the huge run-up in oil prices, such as the 22.4% increase in 2006. This situation is expected to reverse in the next few years, with exports growing 9.8% annually from 2006 to 2010 and imports advancing 5.6%. The main reasons for the export

revival are economic strength abroad and the falling dollar. The U.S. economy is forecast to grow 2.0% both this year and next. In comparison, global economic growth is predicted at about 3.5% in each of these years. Most of this growth will come from Asia, with the exception of Japan. China is the clear growth champion, averaging annual gains of about 11.0%. South America is expected to grow about 5.5% per year. Closer to home, Canada's economy is forecast to expand 2.6% in both 2007 and 2008, while Mexico's economy advances 3.0% annually. Japan's performance is slightly weaker than U.S. economic growth. The second factor favoring exports is the falling dollar. Since 2000, the greenback has lost nearly 20% of its value compared to the currencies of its major trading partners. This year two noticeable landmarks were passed. The dollar traded at parity with its Canadian cousin for the first time in over three decades and fell below its initial value against the Euro. The dollar is expected to lose an additional 12.9% of its value through 2008 before strengthening slightly in 2009. The current account deficit is expected to shrink to \$773.6 billion in 2007, \$722.2 billion in 2008, \$705.6 billion in 2009, and rise to \$757.0 billion in 2010.

Government: The federal government has been seeking a prescription for treating the ailing housing sector and mortgage credit markets. The Administration has launched the "FHASecure" program. This program allows the Federal Housing Administration (FHA) to offer mortgage insurance to an additional 80,000 homeowners beyond the 160,000 available each calendar year. Under this program, mortgage insurance would be available to homeowners who have good credit histories but only recently missed a

mortgage payment, thereby making them eligible to refinance into lower cost fixed rate mortgages. The House Ways and Means Committee passed a bill that excludes from taxation mortgage debt that is forgiven on principal residences. In addition, the bill extends the deduction for private mortgage insurance through 2014. Following the Congress “pay-go” guidelines, the bill offsets the revenue loss by tightening the capital gains rules on the sales of principal residences. Congress is also debating bills that increase the size of mortgages that the FHA could insure. Both the Senate and House versions would allow the FHA to insure loans up to 100% of the \$417,000 conforming limit for purchases by government sponsored enterprises—i.e., Fannie Mae and Freddie Mac—which is a bump from the current FHA limit of \$362,000.

IDAHO FORECAST DESCRIPTION

The Forecast Period is the Third Quarter of 2007 through the Fourth Quarter of 2010

The Idaho economic outlook has been ratcheted down slightly since this summer. This adjustment reflects the third time this year we have reduced our employment forecast. At the beginning of the year nonfarm employment was expected to grow 2.5% per year from 2006 to 2010. In April 2007, this growth rate was reduced to 2.4%. In July 2007, we projected Idaho nonfarm employment would advance 2.3% annually. In the current forecast, nonfarm employment average growth is scaled back to 2.1%. These changes reflect the impacts of incorporating more up-to-date employment data, the lower growth trajectory for the national economy, and job reductions in the manufacturing sector.

The 1,100-job reduction by Micron Technology was first incorporated into the July 2007 *Idaho Economic Forecast*. The company is the state's largest private employer, so its jobs cut will be felt both behind and beyond its gate. As was reported in July 2007, a reasonable estimate is that for every job lost at Micron, another one will be lost somewhere else in the economy. Of course, the initial wave is being absorbed by the state's computer and electronics sector. Not surprisingly, its employment is expected to drop significantly this year. Unfortunately, this sector's employment is not expected to recover soon. In fact, this sector is forecast to shed jobs over the next three years. The only improvement comes in 2010, when employment adds 85 jobs. This is a much different environment than in the 1990s when favorable conditions fueled this sector's rise to become the state's largest manufacturing employer.

The state's housing sector's future is less bright than it appeared last summer, with both housing starts and construction employment adjusted downward from their previous levels. In the July 2007 forecast, we predicted Idaho housing starts would slip to about 16,000 annual units by the second quarter of 2007. Actual data show starts dropped to about 15,700 units in the second quarter. In addition, the housing projection for the remaining forecast years have been reduced. Specifically, there are 138 fewer starts in 2008, 561 fewer starts in 2009, and 637 fewer starts in 2010. These lower housing starts have dampened the outlook for future construction employment. Last summer, construction employment was expected to go from about 52,100 jobs in 2006 to just under 49,600 jobs in 2010. This decline represents an annual average drop of 1.2%. However, construction employment drops off more steeply in the current forecast. Specifically, it declines 1.7% annually, leaving construction employment about 840 jobs lower than in the July 2007 forecast. Construction employment will be missed because it expanded 5.4% annually from 1997 to 2006, making it an important ingredient in the state's recent prosperity.

The good news is that while the Gem State's economy will stall, it will not stop. It will be carried by the nongoods-manufacturing sector, which is expected to see its job growth actually accelerate from 2.4% in 2007 to 3.1% in 2010. The following service components are major contributors to this sector's predicted success: professional and business, education and health, and leisure and hospitality. As was mentioned in the first paragraph, Idaho nonfarm employment is forecast to grow an average of 2.1% per year. At this rate the number of Idaho nonfarm jobs rises from 638,899 in 2006 to 693,178 in 2010. Over this same period, Idaho real personal income is forecast to expand at a 4.4% average annual clip.

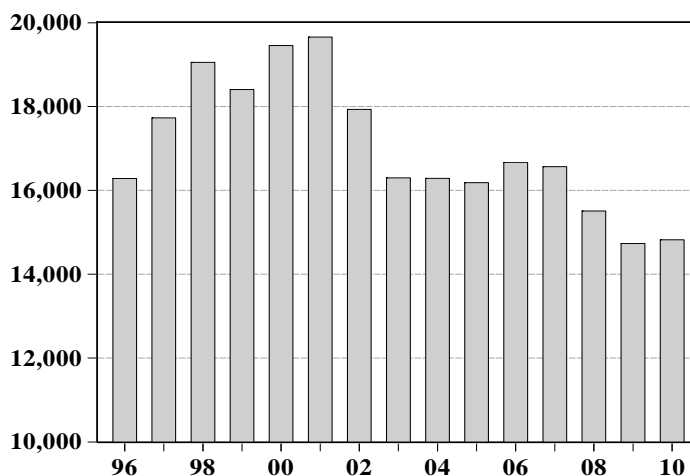
SELECTED IDAHO ECONOMIC INDICATORS

Computer and Electronics: Idaho's high-tech employment is expected to contract over most of the forecast period. This forecast reflects a two-prong hit to the state's largest manufacturing sector. The first, and major, blow was the 1,100-job reduction by Micron Technology. Company officials stated this move was an attempt to restructure its operations in order to reduce production costs. The need for costs savings became immediate due to the recent collapse of memory product prices that led to a \$225 million loss for the company in its third quarter that ended on March 31, 2007. The company reported a glut of products on the global market dropped prices for DRAM 35% and NAND Flash products 30% from the

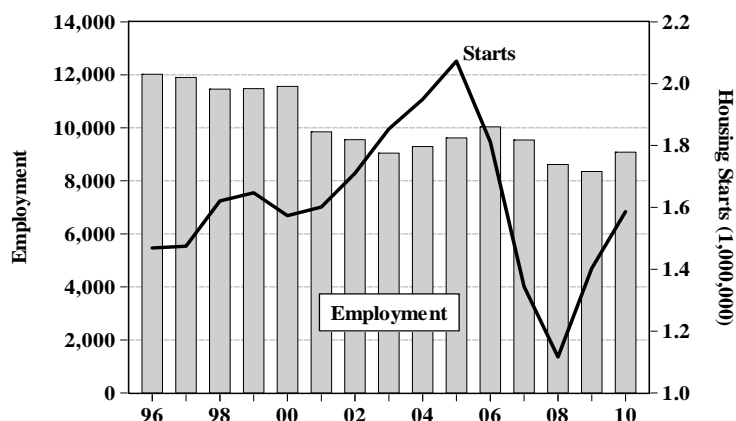
previous quarter. Unfortunately, prices have dropped further, and this contributed to the \$158 million loss in the fourth quarter of the company's fiscal year. Micron Technology lost a total of \$320 million in fiscal year 2007. In comparison, the company had a net income of \$408 million in the previous fiscal year. Micron is the state's largest private employer, and, as such, its job losses will extend beyond its gate. A reasonable estimate is each Micron job lost will eventually result in another job lost elsewhere in the economy. Another factor dampening this sector's outlook is relatively subdued real spending on equipment and software. The slow growing demand will exert downward pressure on memory prices. As such, the main way for Micron Technology to return to profitability lies in its ability to cut costs faster than prices decline. The company continues to pursue this goal. It points out its cost of goods sold per megabit decreased by 10% from the third quarter of fiscal 2007 to the fourth quarter of fiscal 2007. Other players are appearing on the state's high-tech radar. Hoku Materials is building a polysilicon production plant in Pocatello, which is expected to be operational in late 2008. There are expected to be 16,566 computer and electronics manufacturing jobs in 2007, 15,506 jobs in 2008, 14,733 jobs in 2009, and 14,818 jobs in 2010.

Logging and Wood Products: Idaho lumber and wood products employment has responded faster to the current U.S. housing implosion than it did with its explosion earlier this decade. This sector's employment began declining in the third quarter of 2006, just one quarter after U.S. housing starts began falling. In contrast, housing starts began to take off in 2002 and peaked at 2.07 million units in 2005. National wood production expanded 11.1% over this same period. The strong housing sector also led to a run up in lumber prices. Random Lengths reports its lumber composite price jumped nearly a third from 2002 to 2005 and its structural panel composite price increased a whopping 86.3%. Despite these strong conditions, the Gem State's lumber and wood products sector shed about 800 jobs from 2001 to 2003. Its first year-over-year job gain was delayed until 2004, and employment peaked at around 10,200 jobs in the second quarter of 2006. As the boost from demand recedes, this sector's fortunes will become dominated by supply issues which tend to dampen its outlook. The biggest challenge Idaho's lumber and wood products sector faces is the dwindling timber supply from public forests. The U.S. Forest Service estimates over the ten-year period from 1994 to 2004 the harvest from Idaho national forests fell by two-thirds, from 429.7 million board feet to 143.3 million board feet. This decline represents a significant

Idaho Computer and Electronic Products Employment



Idaho Wood Product Employment and U.S. Housing Starts

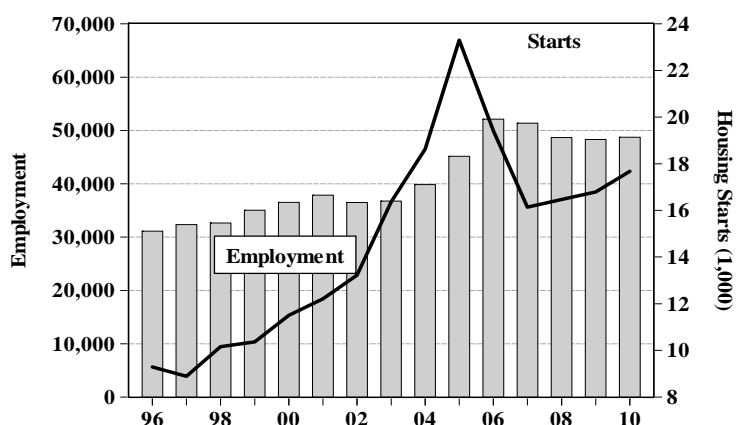


resource loss to the state. Specifically, national forests' share of Idaho's timber harvest shrank from 28.5% in 1994 to 12.3% in 2004. This decline resulted in the closure of several mills around the state. Ironically, these closings have increased the lumber and wood products sector's overall efficiency. As a result, fewer workers will be needed in the future. Despite the industry's downsizing, excess capacity remains a challenge. Strong markets in the 1990s led to heavy capital investment in this sector. As a result, it is estimated the industry can produce 20% to 25% more lumber than is being consumed in North

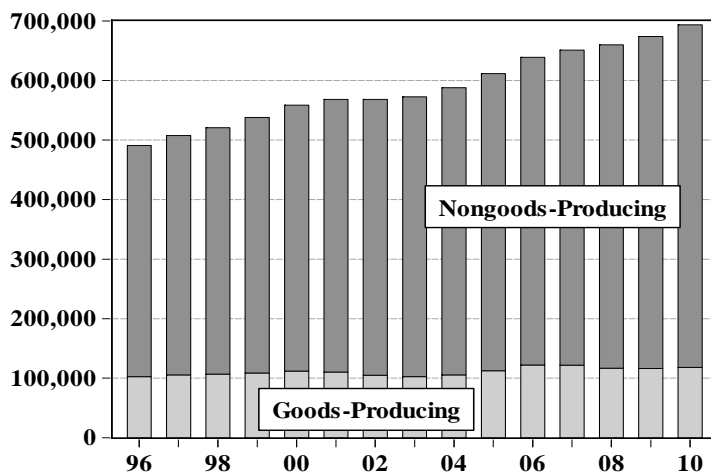
America. These factors suggest future employment is not expected to approach its recent peak. Specifically, it is forecast there will be 9,542 jobs in 2007, 8,621 jobs in 2008, 8,352 jobs in 2009, and 9,085 jobs in 2010.

Construction: The Gem State's economic engine will be short an important cylinder, as construction employment responds to a flattening local housing sector. Idaho housing starts enjoyed a nearly decade-long expansion. From 1997 to 2005, the number of housing starts raced from 8,888 units to just over 23,300 units, culminating with a peak of 23,305 starts in 2005, an amazing 12.8% average annual growth rate. Construction employment growth expanded 5.4% annually from 1997 to 2006. However, these numbers mask how strong employment has been recently. During the 2004 to 2006 period, employment has increased by at least 8.0% per year. Housing starts suffered a nearly 17.0% drop in 2006, but construction employment expanded thanks to robust nonresidential building. Unfortunately, this buffer is not likely to buoy employment for long. Idaho housing starts should decline by another 17.0% this year. This drop will result in a lagged decline in local construction employment. Specifically, the number of jobs is predicted to decline 1.4% this year, but by over 5.0% in 2008. Housing starts are expected to gradually improve after this year, growing to about 17,700 units in 2010. Construction employment will take longer to recover, with the next job gain arriving in 2010. In summary, the construction sector is forecast to shed about 3,800 jobs from its 2006 peak of 52,028 positions to its trough of 48,293 jobs in 2009. Construction employment then increases by a meager 0.9% in 2010 to 48,713 jobs. While these levels of construction employment and housing starts may pale compared to their respective peaks, they are still relatively high compared to history. For example, employment in 2010 is still about 8.0% higher than the 45,149 jobs in 2005. Similarly, Idaho housing starts at 17,674 units in 2010 is 39.2% higher than the historical average of 12,700 units.

Idaho Construction Employment and Housing Starts



Idaho Nonfarm Employment



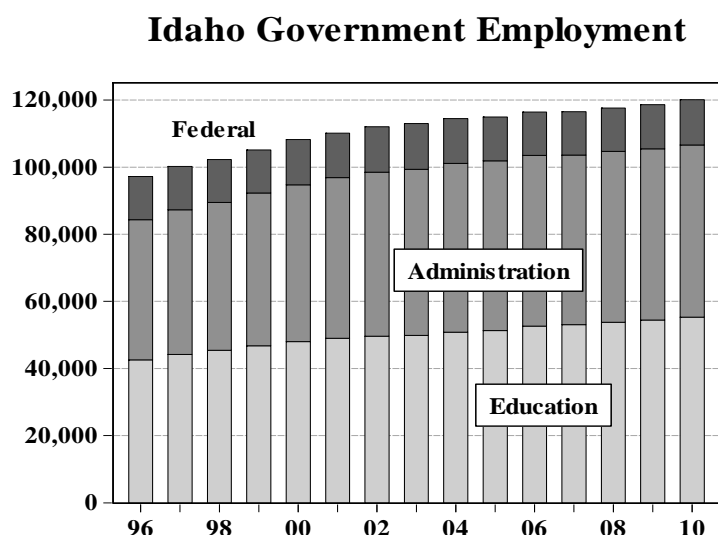
Nongoods-Producing Industries:

Idaho's largest private employment sector, nongoods, will also be its fastest growing sector over the forecast period. Its importance should come as no surprise given its huge size. It accounted for roughly two-thirds of last year's job gain. Industries in this sector can be divided into two broad categories: services and trade. The services category, with 292,725 employees in 2006, is the larger of the two. There were 107,466 trade jobs in Idaho last year. The services category consists of information services; financial activities; transportation, warehousing, and utilities; professional and business

services; education and health services; leisure and hospitality services; and other services. Trade is divided into retail and wholesale categories. Services employment has traditionally been the faster growing of the categories, advancing an average of 3.2% annually over the last five years versus 1.8% for trade employment. One of the services category's strongest performers is professional and business services. This category's employment should expand an average of 3.2% per year over the next four years. Other hot performers include education and health services and leisure and hospitality services. An interesting trait of the former is that it is driven more by demographics than economics, so it is relatively immune to business cycle swings. This category should add jobs at a 3.6% average annual pace over the forecast period. Financial services employment will feel the impact of the cooling local housing market. After expanding by an average of around 6.5% in both 2005 and 2006 as the housing sector boomed, its job base will expand 2.8% annually over the forecast period. After posting a 2.8% showing in 2007, transportation, warehousing, and utilities sector employment will fall victim to the housing sector's woes and stall. Not all sectors will suffer this fate, however. The leisure and hospitality category will expand at a 3.4% yearly rate. Information service employment should rise at a 2.3% annual pace. The other services category includes call centers such as Dial 411's new operation that has begun hiring in the Meridian area. Its payroll could reach 300 jobs within its first year of operation. Employment in the other services category is projected to accelerate over the forecast period. The trade sector's employment should grow an average of 3.6% per year, with its retail component growing slightly faster (3.8%) than its wholesale piece (3.3%). Employment will benefit from the opening or expansion of several large retailers, such as Cabela's store that opens this fall in Post Falls. North Idaho retailers also hope more favorable exchange rates will draw more Canadian shoppers into their stores.

Government: Idaho state and local government employment growth is anticipated to cool over the next few years, as the state's population growth shifts into lower gear. The relationship between population and government employment is evident in the historical data. From 1991 to 2000, Idaho's population increased about 2.5% per year. Over this same period, Idaho state and local government expanded 3.0% annually to meet the demands of the booming population. As in the past, this surge resulted from an influx of new residents. Population growth cooled in the first part of the current decade and so did government employment. From 1999 to 2004 population growth slowed to a 1.7% annual pace. State and local government employment growth followed suit, slowing to an average 1.9% annual pace. Another wave of new residents pushed Idaho population growth well above 2.0% in both 2005 and 2006. There were over 24,000 new residents in both 2005 and 2006. These new residents accounted for

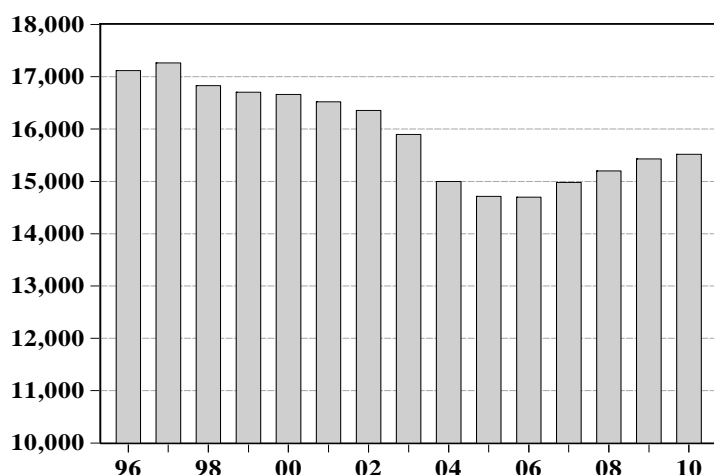
around two-third of the total population growth in those years. In comparison, during population's most recent growth nadir in 2002, less than half of that year's growth was due to immigration. The current forecast assumes immigration will taper off as the Idaho economy cools. As a result, the Gem State's population growth will drop down to around 2.0%. Idaho state and local government employment is forecast to grow about half as fast as the population. However, growth rates will vary among its two components. Idaho education employment is expected to advance about 1.3% per year from 2006 to 2010. During this same period, noneducation-related government employment should expand just under 0.2% annually. Federal government employment in Idaho has hovered near 13,000 jobs over the last few years, and it is projected to continue doing so over most of the forecast horizon. The exception being 2010, when hiring for the U.S. census pushes employment above 13,500.



Mining: The state's mining industry has benefitted from climbing metal prices. The spot price of silver more than doubled from \$4.60 per ounce in 2002 to \$11.62 per ounce in 2006. According to the U.S. Department of Labor, the wholesale price index (WPI) for metals and metal products jumped 44.4% over the same period. In response to the rising metal prices, mining employment increased from 1,758 jobs in 2002 to 2,375 jobs in 2006. The price surge has other positive impacts beyond employment; it has rekindled plans to increase mining production. Kathryn Tacke, the Idaho Department of Labor's Regional economist for the state's Panhandle, recently recapped the increased interest in mining opportunities in North Idaho. With silver remaining above \$11 an ounce and other Silver Valley mining byproducts—including lead, zinc, copper and gold—also commanding high prices, many possibilities are being explored in the Silver Valley. Using the record profits it earned the last couple of years, Hecla Mining is expanding production at and exploration around its Lucky Friday Mine, where it employs 200 people. U.S. Silver Corp. is mining new finds at the Galena Mine, where another 200 people work, and it now is exploring the feasibility of reopening the Dayrock, a lead and zinc mine three miles northeast of Galena that closed in 1977. Sterling Mining Co. plans to re-open the Sunshine Mine, which closed in 2001, this winter. SNS Silver plans to spend \$3.5 million exploring the Crescent Mine. New Jersey Mining Co. is exploring at the Golden Chest, and its potential looks enormous. Timberline Resource Corp., headquartered in Coeur d'Alene, is exploring the Snowstorm, a historic silver-copper mine, and adjoining properties. These projects have the possibility of impacting employment down the road. In the short term, however, employment will be driven by expected smaller metal price increases. The slower price gains should lead to a slight decrease in Idaho mining employment. Specifically, the number of jobs in this sector slides from a peak of 2,491 in 2007 to 2,154 in 2010.

Food Processing: Food processing's role in the state's economy cannot be overstated. This sector had 14,700 jobs in 2006, making it the state's second largest manufacturing employer. The computer and electronics manufacturing sector is the largest with 16,664 jobs. The value of food manufacturing output accounted for more than half (55.7%) of the total Idaho nondurable manufacturing output from 1997 to 2004 and about 2.6% of the state's total gross domestic product. While 2.6% of output may appear to be

Idaho Food Processing Employment



a small part of the economy, it masks the state's dependence on this sector. Its relative importance can be seen when it is compared to its national counterpart. Food processing accounted for just 1.6% of U.S. economic output. Clearly, Idaho's economy is more dependent on food processing than the nation. A similar argument can be made for employment. Food processing employment accounted for 2.3% of the state's nonfarm jobs in 2006, while it accounted for just 1.1% of national nonfarm employment. Food processing has faced its share of challenges this decade. Nearly 360 jobs were lost when unfavorable business conditions caused

the J.R. Simplot Company to close its Nampa meat packing plant in the fall of 2003. In addition, the J.R. Simplot Company shuttered its Heyburn potato processing plant that was built in 1960 and since then had run continuously. More recently, the Swift and Company beef processing plant fell victim to the embargo of Canadian beef imports into the U.S. Concerns over mad cow disease restricted imports to animals under 30 months old. The Nampa plant processed older animals and was not able to get enough animals to keep operations viable. About 400 jobs were lost when the company closed the plant. However, recent news regarding the food processing sector has been promising, suggesting its employment is ripe for expansion. Some of this growth will come from plants that had been closed. The Nampa meat processing plant has been reopened by XL Foods, Inc. It is anticipated that it will replace all the jobs lost from Swift's closure once the plant is running at full capacity. Gossner Foods, Inc. opened a new cheese manufacturing plant in Heyburn on land formerly occupied by the J.R. Simplot plant. Brewster Dairy, Inc. has taken over the former Kraft plant in Rupert and plans to start production on November 1, 2007. Marathon Cheese is building a \$27-million plant in Mountain Home that will employ 250 workers. The plant's employment should climb to twice that many jobs in five years. Another new plant is High Desert Milk in Burley. When completed, this plant will employ 30 workers to manufacture powdered milk. After declining for nearly a decade, Idaho food processing employment is expected to stabilize then grow slowly. Specifically, the number of jobs is forecast to gradually increase from 14,700 in 2006 to 15,521 in 2010.

FORECASTS COMPARISON

Idaho has a dynamic economy whose growth is influenced by a myriad of local, national, and international factors. Therefore, changes to the projected values of such diverse variables as oil prices, interest rates, and national housing starts can have an effect at the state level. In order to account for the effects of such changes on the state's economy, each issue of the *Idaho Economic Forecast* uses Global Insight's most recent forecast of the U.S. economy. Additional data, such as company-specific expansions and/or contractions are also considered.

The following comparison table shows how the outlooks for several key Idaho and national economic series have changed from the July 2007 to the October 2007 *Idaho Economic Forecast*. The July 2007 *Idaho Forecast* is based on Global Insight's July 2007 baseline forecast and the October 2007 *Idaho Forecast* is driven by Global Insight's October 2007 baseline U.S. macroeconomic forecast.

Several key variables shows how the outlooks for the national and state economies have changed compared to the July 2007 *Idaho Economic Forecast*. The national variables are discussed first. A review of several key measures show the trajectory for the U.S. economy has been lowered compared to the July 2007 forecast. This change can be seen in the accompanying table which shows the gap between the previous and current forecasts widening over time. For example, real GDP for the current year is expected to be \$115 billion lower in the October 2007 forecast versus the July 2007 forecast. By 2010, the difference between the two real GDP forecasts is \$254 billion. On a percentage basis, October's real GDP forecast is lower by 1.0% in 2007, 1.7% in 2008, 1.9% in 2009, and 2.0% in 2010. This pattern is reflected in both the income and employment projections. The October real income forecast swings from being 1.0% higher than in the July forecast to being 0.6% lower in 2010. National nonfarm employment has 68,000 fewer jobs in 2007, which is virtually unchanged from the previous forecast. However, there are over 1,000,000 fewer jobs in 2010, which is 0.8% lower than had been forecast in July 2007. The largest relative differences occur in the goods-producing sector. This should come as no surprise because it contains both the long-suffering manufacturing and construction sectors. The goods-producing sector goes from being 0.1% low this year to down 2.4% in 2010. In comparison, nongoods-producing employment is down 0.4% in 2010. As the table also shows, the October forecast calls for lower interest rates and higher inflation.

Consistent with its national counterpart, Idaho's economic outlook has also been downgraded since July. The forecast for Idaho nonfarm employment is down 3,214 jobs (0.5%) this year, 3,159 jobs (0.5%) next year, 3,773 jobs (0.6%) in 2009, and 5,170 jobs (0.7%) in 2010. Interestingly, Idaho nominal personal income is initially \$535 million higher than the in the previous forecast (due to historical data revisions), but loses ground over time, settling at about \$100 million below July's projection. Idaho real personal income displays a similar slide. Both are consistent with the slower expected growth.

**IDAHO ECONOMIC FORECAST
FORECASTS COMPARISON
DIFFERENCES BETWEEN
OCTOBER 2007 AND JULY 2007 FORECASTS**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
U.S. GDP (BILLIONS)										
Current \$	0	0	0	-27	-22	-52	-56	-202	-266	-295
% Difference	0.0%	0.0%	0.0%	-0.2%	-0.2%	-0.4%	-0.4%	-1.4%	-1.7%	-1.8%
2000 Chain-Weighted	0	0	0	-28	-45	-96	-115	-203	-240	-254
% Difference	0.0%	0.0%	0.0%	-0.3%	-0.4%	-0.8%	-1.0%	-1.7%	-1.9%	-2.0%
PERSONAL INCOME - CURR \$										
Idaho (Millions)	0	0	0	-107	-292	-259	535	552	279	-96
% Difference	0.0%	0.0%	0.0%	-0.3%	-0.7%	-0.6%	1.1%	1.1%	0.5%	-0.2%
U.S. (Billions)	0	0	0	-4	62	92	150	89	0	-62
% Difference	0.0%	0.0%	0.0%	0.0%	0.6%	0.8%	1.3%	0.7%	0.0%	-0.5%
PERSONAL INCOME - 2000 \$										
Idaho (Millions)	0	0	0	-104	-293	-265	346	341	161	-149
% Difference	0.0%	0.0%	0.0%	-0.3%	-0.8%	-0.7%	0.9%	0.8%	0.4%	-0.3%
U.S. (Billions)	0	0	0	-5	47	71	101	45	-17	-68
% Difference	0.0%	0.0%	0.0%	-0.1%	0.5%	0.7%	1.0%	0.4%	-0.2%	-0.6%
TOTAL NONFARM EMPLOYMENT										
Idaho	-1	-1	-1	0	-2	-3	-3,214	-3,159	-3,773	-5,170
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.5%	-0.5%	-0.6%	-0.7%
U.S. (Thousands)	0	0	0	0	0	0	-68	-592	-918	-1,081
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.4%	-0.6%	-0.8%
GOODS PRODUCING SECTOR										
Idaho	0	0	1	2	2	1	588	-204	-1,454	-971
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	-0.2%	-1.2%	-0.8%
U.S. (Thousands)	0	0	0	0	0	0	-16	-292	-505	-545
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.1%	-1.3%	-2.3%	-2.4%
NONGOODS PRODUCING SECTOR										
Idaho	0	0	-1	-2	-4	-4	-3,802	-2,955	-2,319	-4,199
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.7%	-0.5%	-0.4%	-0.7%
U.S. (Thousands)	0	0	0	0	0	0	-52	-300	-413	-536
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.3%	-0.3%	-0.4%
SELECTED INTEREST RATES										
Federal Funds Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.2%	-1.0%	-0.7%	-0.5%
Bank Prime Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.2%	-1.0%	-0.7%	-0.5%
Existing Home Mortgage Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.1%	-0.4%	-0.2%	-0.2%
INFLATION										
GDP Price Deflator	0.000	0.000	0.000	0.033	0.261	0.505	0.691	0.380	0.256	0.209
Personal Cons Deflator	0.000	0.000	0.000	0.019	0.095	0.118	0.321	0.352	0.193	0.195
Consumer Price Index	0.000	0.000	0.000	0.000	0.000	0.000	0.004	0.005	0.003	0.005

Forecast Begins the **THIRD** Quarter of 2007

ALTERNATIVE FORECASTS

Global Insight has assigned a 55% probability of occurrence to its October 2007 baseline forecast of the U.S. economy. The major features of this forecast include:

- Real GDP increases 2.0% in 2007, 2.0% in 2008, 2.9% in 2009, and 2.8% in 2010;
- U.S. nonfarm employment grows 1.3% in 2007, 0.7% in 2008, 1.2% in 2009, and 1.2% in 2010;
- the annual U.S. civilian unemployment rate remains near 5.0% through 2010;
- consumer inflation is 2.7% in 2007, 1.8% in 2008, 1.8% in 2009, and 1.9% in 2010;
- the current account deficit is \$774 billion in 2007, \$722 billion in 2008, \$706 billion in 2009, and \$732 billion in 2010; and
- the federal unified budget deficit is \$162 billion in 2007, \$261 billion in 2008, \$311 billion in 2009, and \$298 billion in 2010.

OPTIMISTIC SCENARIO

Global Insight's *Optimistic Scenario* has been assigned a 15% probability of occurrence. In this scenario, the fortunate alignment of several positive factors results in a prosperous path for the economy. In this scenario, enhanced productivity results in higher economic and employment gains and lower inflation and budget deficits. In addition, business fixed investment is stronger, peaking at 10.8% of GDP in 2009 versus just 10.5% in the baseline case. Residential investment is also stronger in this scenario, with housing bouncing back stronger in 2008 and maintaining a higher level throughout the forecast period. The main reasons for this success are stronger job growth, lower interest rates, higher consumer confidence, and lower long-term interest rates. Exports benefit from stronger foreign economic growth, and advance quicker than in the baseline case despite a stronger dollar. This scenario also assumes oil prices are \$10.00 to \$10.50 per barrel lower than in the baseline case.

Under these assumptions, the economic outlook is much brighter than in the baseline case. Real output expands by at least 3.0% per year beginning in 2008, compared to under 3.0% in the *Baseline Scenario*. Despite the stronger growth, inflation is actually lower in the *Optimistic Scenario* thanks to the higher productivity. Year-on-year consumer price inflation falls into the middle range of the Federal Reserve's 1%-2% tolerance band and remains there throughout the forecast period, rather than hovering near the upper boundary, as in the baseline case. As a result, inflation shifts to the back burner as an item for the central bank to worry about.

The stronger national economy lifts Idaho's outlook. Idaho nonfarm employment rises faster than in the baseline case in both 2008 and 2009. This stronger growth pushes Idaho nonfarm employment to 696,272 jobs in 2010, which is about 3,000 jobs higher than its baseline counterpart. As the table shows, Idaho goods-producing employment does not slow as deeply in 2008 and advances more strongly in 2009. However, it does grow slower than in the baseline in 2010. In spite of this slower growth, forecasted Idaho goods-producing employment is about 1,000 jobs higher in 2010 than in the baseline. Nongoods-employment growth is consistently higher than its baseline counterpart, and it is about 2,000 jobs higher in 2010. Idaho real personal income is also stronger in 2010, topping its baseline counterpart by just over \$100 million.

IDAHO ECONOMIC FORECAST

BASELINE AND ALTERNATIVE FORECASTS

OCTOBER 2007

	BASELINE				OPTIMISTIC				PESSIMISTIC			
	2007	2008	2009	2010	2007	2008	2009	2010	2007	2008	2009	2010
U.S. GDP (BILLIONS)												
Current \$	13,804	14,321	15,020	15,741	13,811	14,447	15,197	15,926	13,785	14,112	14,698	15,438
% Ch	4.6%	3.7%	4.9%	4.8%	4.7%	4.6%	5.2%	4.8%	4.5%	2.4%	4.1%	5.0%
2000 Chain-Weighted	11,542	11,778	12,123	12,460	11,546	11,898	12,332	12,719	11,529	11,602	11,800	12,079
% Ch	2.0%	2.0%	2.9%	2.8%	2.0%	3.0%	3.6%	3.1%	1.8%	0.6%	1.7%	2.4%
PERSONAL INCOME - CURR \$												
Idaho (Millions)	47,235	49,869	52,840	56,363	47,217	49,553	52,406	55,709	47,311	50,385	53,746	57,735
% Ch	7.6%	5.6%	6.0%	6.7%	7.5%	4.9%	5.8%	6.3%	7.7%	6.5%	6.7%	7.4%
U.S. (Billions)	11,695	12,255	12,875	13,550	11,698	12,331	13,009	13,679	11,696	12,171	12,717	13,392
% Ch	6.5%	4.8%	5.1%	5.2%	6.5%	5.4%	5.5%	5.1%	6.5%	4.1%	4.5%	5.3%
PERSONAL INCOME - 2000 \$												
Idaho (Millions)	40,241	41,728	43,453	45,504	40,244	41,730	43,556	45,610	40,285	41,966	43,708	45,770
% Ch	5.1%	3.7%	4.1%	4.7%	5.1%	3.7%	4.4%	4.7%	5.2%	4.2%	4.2%	4.7%
U.S. (Billions)	9,963	10,255	10,588	10,940	9,970	10,385	10,812	11,199	9,959	10,138	10,343	10,617
% Ch	4.0%	2.9%	3.2%	3.3%	4.1%	4.2%	4.1%	3.6%	4.0%	1.8%	2.0%	2.7%
TOTAL NONFARM EMPLOYMENT												
Idaho	650,898	659,784	673,918	693,178	650,901	660,523	676,476	696,272	650,955	658,601	668,777	687,265
% Ch	1.9%	1.4%	2.1%	2.9%	1.9%	1.5%	2.4%	2.9%	1.9%	1.2%	1.5%	2.8%
U.S. (Thousands)	137,919	138,949	140,654	142,375	137,963	139,942	142,437	144,337	137,860	137,936	138,462	139,775
% Ch	1.3%	0.7%	1.2%	1.2%	1.3%	1.4%	1.8%	1.3%	1.2%	0.1%	0.4%	0.9%
GOODS-PRODUCING SECTOR												
Idaho	121,867	116,906	116,156	118,172	121,867	117,575	117,704	119,254	121,755	114,448	110,187	113,080
% Ch	-0.4%	-4.1%	-0.6%	1.7%	-0.4%	-3.5%	0.1%	1.3%	-0.5%	-6.0%	-3.7%	2.6%
U.S. (Thousands)	22,400	21,842	21,654	21,798	22,402	22,009	22,101	22,384	22,399	21,593	20,924	20,810
% Ch	-0.8%	-2.5%	-0.9%	0.7%	-0.8%	-1.8%	0.4%	1.3%	-0.8%	-3.6%	-3.1%	-0.5%
NONGOODS-PRODUCING SECTOR												
Idaho	529,031	542,877	557,761	575,006	529,034	542,948	558,772	577,018	529,200	544,153	558,591	574,185
% Ch	2.4%	2.6%	2.7%	3.1%	2.4%	2.6%	2.9%	3.3%	2.4%	2.8%	2.7%	2.8%
U.S. (Thousands)	115,519	117,108	119,000	120,578	115,561	117,934	120,335	121,953	115,462	116,343	117,538	118,965
% Ch	1.7%	1.4%	1.6%	1.3%	1.7%	2.1%	2.0%	1.3%	1.6%	0.8%	1.0%	1.2%
SELECTED INTEREST RATES												
Federal Funds	5.0%	4.3%	4.6%	4.8%	5.0%	4.3%	4.4%	4.5%	5.0%	4.0%	5.8%	6.0%
Bank Prime	8.1%	7.3%	7.6%	7.8%	8.1%	7.3%	7.4%	7.5%	8.0%	7.0%	8.8%	9.0%
Existing Home Mortgage	6.5%	6.5%	6.8%	7.0%	6.5%	6.3%	6.6%	6.7%	6.7%	7.2%	7.9%	7.9%
INFLATION												
GDP Price Deflator	2.6%	1.7%	1.9%	2.0%	2.6%	1.5%	1.5%	1.6%	2.6%	1.7%	2.4%	2.6%
Personal Cons Deflator	2.4%	1.8%	1.7%	1.9%	2.3%	1.2%	1.3%	1.5%	2.4%	2.2%	2.4%	2.6%
Consumer Price Index	2.7%	1.8%	1.8%	1.9%	2.6%	1.1%	1.4%	1.6%	2.7%	2.3%	2.3%	2.5%

Forecast Begins the THIRD Quarter of 2007

PESSIMISTIC SCENARIO

The *Pessimistic Scenario* has been assigned a 30% probability of occurrence. In this scenario the housing recession is deeper than in the baseline case, which drags the economy into a recession. Housing starts drop to 946,000 units in 2008, compared with 1,116,000 units in the baseline. The median existing home price falls more than 10% below the baseline forecast in 2009. The housing weakness leads to a consumer confidence retreat. This contraction, along with the drop in wealth associated falling home prices, causes consumer spending to slow to a crawl. The bleaker outlook causes businesses to scuttle long-term projects. These weaknesses cause the economy to slip into a two-quarter recession that begins in this year's last quarter. But output is not the only thing to suffer declines in the near future. Employment drops for three straight quarters, losing 189,000 jobs from peak to trough. Industrial production falls for four quarters.

The Federal Reserve lowers the federal funds rate to 3.5% in early 2008 in an attempt to revive the flagging economy. In 2008, the productivity slowdown, high energy prices, and a weakening dollar, rekindle inflation. The Federal Reserve hikes rates to head off inflation, but its efforts prove to be too little, too late. Core inflation creeps upwards, then settles at about 3.0%, which is a full point above the baseline level. Inflation is higher in this scenario because of the lower productivity gains and the weaker dollar, and because the central bank decides to live with inflation at 3.0% rather than risk another recession.

Not surprisingly, Idaho's economy in this scenario is weaker than in the *Baseline Scenario*. Idaho nonfarm employment grows slower than in the baseline in each year of the forecast. In fact, growth drops below 2.0% per year in both 2008 and 2009. It does rally to 2.8% in 2010, but never catches up with the baseline. Employment is about 6,000 jobs below the corresponding baseline projection in the terminal year of the forecast. Both the goods- and nongoods-producing sectors perform below par, but the former takes a relatively bigger hit. The former finishes the forecast period with about 13,080 jobs, about 5,100 fewer than in the baseline. There are 574,185 nongoods-producing jobs in 2010, about 900 fewer jobs than in the baseline case. Interestingly, Idaho real personal income is about \$265 million higher in the *Pessimistic Scenario*. This occurs because the lower productivity raises producers' costs, e.g., wages per job.

As Boomers Slow Down, So Might the Economy

*Kevin L. Kliesen**

On Jan. 1, 2008, the first members of the baby boom generation will turn 62 and, thus, become eligible for some retirement benefits from the federal government. Countless studies have tried to estimate the fiscal implications of the pending retirement of this generation. Perhaps less known to the public are the implications for U.S. labor markets and, thus, the future growth rates of real GDP. Using a standard growth accounting framework, the aging of the U.S. population suggests weaker growth of real GDP going forward. Whether this occurs will depend crucially on future trends in labor productivity growth and, to a lesser extent, the evolving trend in the labor force participation rate.

The Economics of Growth Accounting

Economic theory holds that, in the long run, an economy's growth rate depends on factors such as population growth, saving and investment rates, technology, tax and regulatory policies, and consumer preferences for work and leisure.¹ To gauge an economy's potential for growth over longer periods of time, which implicitly takes into account these factors, economists sometimes employ a growth accounting framework. A simplified version of this framework is published each year in the Economic Report of the President. The growth accounting framework projects the percentage change in real GDP by adding up estimates of the percentage changes in: the adult population (those aged 16 and over), the participation rate of the working age population (ages 25 to 64) and aggregate labor productivity (GDP per worker).² Using conventional demographic assumptions that predict a significant reduction in the participation rate, the growth accounting framework shows that real GDP growth could slow dramatically in coming decades.

Population Growth

Currently, the Census Bureau projects that the annualized growth of the adult population will slow from a rate of 1.9 percent per year from 1970 to 2006, to 0.9 percent per year from 2007 to 2017, and then 0.8 percent per year from 2018 to 2028.³ From this starting point, one can begin to get a sense of effects of the retirement of the baby boom generation by looking at the projected growth of the working age population over the next 10 to 20 years. According to the Census Bureau, growth of the working age population averaged about 2.25 percent per year from 1970 to 2006. However, over the next decade, its growth is slated to drop sharply. Between 2007 and 2017, growth is projected to average just 0.65 percent per year; from 2018 to 2028, growth is expected to average only 0.12 percent per year. At the same time, growth of the population age 65 and older is projected to accelerate, averaging 2.8 percent per year from 2007 to 2017 and by nearly 3 percent per year from 2018 to 2028.

Labor Force Participation Rates

The labor force participation rate is the percentage of the population 16 and older that is either employed or is actively seeking employment. Beginning in the early 1960s, the U.S. participation rate began to trend upward. From 1964 to 1997, the total participation rate rose from 58.7 percent to 67.1 percent, or by an average of 0.25 percentage points per year. An increasing percentage of women entering the labor force was a key factor in this increase. However, higher labor force participation rates did not materially boost aggregate growth over most of this period because of a sharp deceleration in labor productivity growth from about 1973 to about 1995. Since the late 1990s, though, the U.S. labor force participation

* This article originally appeared in *The Regional Economist*, July 2007. Opinions expressed in this article are those of the authors and do not necessarily reflect the views of the management of the Federal Reserve Bank of St. Louis or the Board of Governors of the Federal Reserve System.

rate has declined slightly, to 66 percent, but this effect has been more than offset by a reacceleration in labor productivity growth since about 1995.

A second factor that explained the upward trend in the aggregate labor force participation rate until the late 1990s was the aging of the population.⁴ For example, the working age population as a percentage of the total resident population rose from 44 percent in the late 1960s/early 1970s to about 53 percent by last year. It is projected to remain at that level until 2011 and then begin to fall to about 47 percent by 2050.

With growth of the retiree population increasing and the growth of the working age population decreasing, the labor force participation rate will probably trend lower. In their 2007 report, the trustees of the Social Security Administration (SSA) estimate that the participation rate will steadily decline to a little more than 59 percent by 2081.⁵ Some developments could prevent this from occurring. First, an increasing percentage of the working age population must enter the labor force. Second, the baby boomers must either postpone retirement or continue to work part time. Third, the participation rates of women must resume their upward trend.

But these events are unlikely, for the following considerations.⁶ First, the participation rates of women, particularly those who are married and with children, have declined in recent years. Second, a larger percentage of teens and young adults are attending post-secondary schools and staying in school longer. Finally, health and mortality considerations will eventually limit the participation rates of elderly baby boomers.

Productivity Growth

Productivity plays a crucial role in the growth accounting framework. In the long run, a nation's real GDP growth rate depends crucially on the growth of output per hour (productivity). The most common measure of labor productivity is output per hour in the nonfarm business sector. After increasing by an average of 1.4 percent per year from 1973 to 1994, the nation's labor productivity growth rate began to accelerate beginning around 1995. From 1995 to 2006, labor productivity increased at an average annual rate of 2.7 percent. By most accounts, this acceleration stemmed from innovations in information and communication technology equipment.⁷ Recently, however, labor productivity growth has decelerated sharply, from 4.1 percent in 2002 to only 1.6 percent in 2006; last year's increase was the smallest since 1997. The steady slowing in labor productivity growth is unsettling and perhaps raises questions about its underlying strength. However, the most recent Survey of Professional Forecasters projects that labor productivity growth will increase by an average of 2.2 percent per year over the next 10 years.⁸

Adding It Up

As shown in the table, the growth accounting framework projects that real GDP growth will slow from an average of 3 percent per year from 1990-2006 to 2.5 percent per year from 2007-2017 and then to 2.2 percent per year from 2018-2028.⁹ These estimates are based on the census population projections and the SSA labor force participation rate projections noted earlier, along with the assumption that the rate of aggregate productivity growth will remain at its 1990-2006 average.

It is apparent that faster aggregate productivity growth can also mitigate the projected slowing in real GDP growth. However, there are several factors that could prevent this from occurring. First, productivity growth may slow, as older, more experienced workers are replaced with younger, less experienced workers. Second, if tax rates are increased to address the looming fiscal crisis stemming from the retirement of the baby boomers, then capital spending (investment) by firms might drop, putting a brake on productivity growth. A related effect could occur if taxes or regulations are

Accounting for Annual Growth, 1990 to 2028 Percent changes, annual rate per year				NOTE: Projections of the labor force participation rate (LFP) are based on the cost assumptions used in the Social Security Administration's 2007 Trustees Report.
	1990-2006	2007-2017	2018-2028	
Population	1.24	0.91	0.83	
+ LFP rate	-0.03	-0.25	-0.40	
+ Productivity	1.82	1.82	1.82	
= Real GDP	3.0	2.5	2.2	

implemented to address climate change. In this case, higher energy taxes would render obsolete some portion of the nation's stock of capital goods, much as the oil price shocks of the 1970s did. Third, U.S. saving rates have been extraordinarily low. In fact, the personal saving rate was negative in 2005 and last year. Unless reversed, negative personal saving rates will limit capital formation and productivity growth.

From a pure growth accounting standpoint, real GDP growth rates are projected to slow to rates last seen from 1973 to 1983 (2.25 percent per year). Whether this occurs will depend on future productivity growth rates and labor force participation rates—including those people who choose to continue working in “retirement.”

ENDNOTES

¹ Economists typically measure economic growth from a long-run perspective as the growth of real GDP per capita.

² Monetary policy plays no role in boosting the economy's long-run rate of growth in this supply-side framework. Instead, central banks can only influence the price level in the long run (that is, the inflation rate).

³ The U.S. Census Bureau formally counts the nation's population every 10 years. Between these counts, the Census Bureau publishes population estimates based on the number of births, the number of deaths and net (total) migration that occur each year. From these estimates, long-run population projections are made based on assumptions like future trends in fertility and death rates and in immigration.

⁴ Briefly, if the participation rate of a specific age group changes, or the share of a certain age group within the total population (i.e., the population weight) changes, then the labor force participation rate can change significantly.

⁵ This would be the lowest rate since 1966, when the participation rate averaged 59.2 percent. The SSA participation rate is based on the projection consistent with the trustees' intermediate cost projections for Social Security benefits.

⁶ See Aaronson et al. (2006) and Juhn and Potter (2006).

⁷ See Anderson and Kliesen (2006).

⁸ See Federal Reserve Bank of Philadelphia (2007). The growth accounting framework uses aggregate productivity, which is based on total GDP; nonfarm business sector output is about 77 percent of total GDP.

⁹ Actual real GDP growth also averaged 3 percent per year from 1990 to 2006.

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IDAHO ECONOMIC FORECAST

October 2007

FORECAST DETAIL

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Reporting Conventions

Units of measurement are presented in the individual reports.

The percentage change numbers given in the annual reports are simple period-to-period percent changes. Since the periods are years, they are thus simple annual changes. The percentage changes given in the quarterly report are period-to-period changes at compound annual rates, following standard practice. A large change in a given quarter can seem to be exaggerated since the calculation assumes the change is compounded over an entire year.

Data Sources

National forecast data is provided by Global Insight, as well as the Food and Agricultural Policy Research Institute (FAPRI). Historical data for the models are obtained from the following agencies: Bureau of the Census (demographic), Bureau of Economic Analysis (income), Bureau of Labor Statistics (employment), Federal Reserve Board of Governors (production), and U.S. Department of Agriculture (farm).

Idaho historical data is obtained from the Department of Commerce and Labor (employment and hourly earnings), Bureau of Vital Statistics (births and deaths), Division of Financial Management (migration), and the Bureau of Economic Analysis (income).

The Idaho average annual wage is calculated by the Division of Financial Management from Bureau of Economic Analysis and Idaho Department of Commerce and Labor data. Because of the different methodology used and data available, this figure may not match those published by other sources.

**IDAHO ECONOMIC FORECAST
ANNUAL DETAIL
OCTOBER 2007**

DEMOGRAPHICS

	1993	1994	1995	1996	1997	1998	1999	2000	2001
POPULATION									
Idaho (Thousands)	1,108.6	1,144.9	1,177.0	1,203.2	1,228.4	1,252.3	1,275.7	1,299.1	1,320.7
% Ch	3.4%	3.3%	2.8%	2.2%	2.1%	1.9%	1.9%	1.8%	1.7%
National (Millions)	260.688	263.853	266.980	270.115	273.368	276.553	279.731	282.841	285.866
% Ch	1.3%	1.2%	1.2%	1.2%	1.2%	1.2%	1.1%	1.1%	1.1%
BIRTHS									
Idaho (Thousands)	17.575	17.690	17.915	18.482	18.599	19.188	19.897	20.304	20.684
% Ch	2.2%	0.7%	1.3%	3.2%	0.6%	3.2%	3.7%	2.0%	1.9%
National (Thousands)	4,041	4,010	3,951	3,971	3,964	4,038	4,028	4,070	4,062
% Ch	-1.3%	-0.7%	-1.5%	0.5%	-0.2%	1.9%	-0.2%	1.0%	-0.2%
DEATHS									
Idaho (Thousands)	8.277	8.478	8.553	8.679	8.953	9.105	9.488	9.538	9.811
% Ch	4.9%	2.4%	0.9%	1.5%	3.2%	1.7%	4.2%	0.5%	2.9%
National (Thousands)	2,294	2,322	2,349	2,350	2,351	2,406	2,406	2,410	2,476
% Ch	4.9%	1.2%	1.2%	0.0%	0.0%	2.3%	0.0%	0.2%	2.7%
NET MIGRATION									
Idaho (Thousands)	27.168	27.115	22.652	16.417	15.583	13.836	12.975	12.658	10.645
HOUSING									
HOUSING STARTS									
Idaho	11,597	12,869	9,471	9,283	8,888	10,155	10,363	11,501	12,206
% Ch	20.3%	11.0%	-26.4%	-2.0%	-4.3%	14.3%	2.0%	11.0%	6.1%
National (Millions)	1.292	1.446	1.361	1.469	1.475	1.621	1.647	1.573	1.601
% Ch	7.5%	12.0%	-5.9%	7.9%	0.4%	9.9%	1.6%	-4.5%	1.8%
SINGLE UNITS									
Idaho	8,949	9,424	7,296	7,844	7,652	9,040	9,191	10,338	10,377
% Ch	13.1%	5.3%	-22.6%	7.5%	-2.4%	18.1%	1.7%	12.5%	0.4%
National (Millions)	1.131	1.191	1.082	1.154	1.136	1.278	1.306	1.232	1.272
% Ch	9.6%	5.4%	-9.2%	6.7%	-1.6%	12.4%	2.2%	-5.7%	3.2%
MULTIPLE UNITS									
Idaho	2,648	3,446	2,176	1,440	1,236	1,115	1,172	1,163	1,829
% Ch	52.8%	30.1%	-36.9%	-33.8%	-14.2%	-9.8%	5.1%	-0.8%	57.3%
National (Millions)	0.161	0.255	0.279	0.314	0.338	0.344	0.341	0.341	0.330
% Ch	-5.1%	58.3%	9.4%	12.7%	7.6%	1.6%	-0.7%	0.1%	-3.5%
HOUSING STOCK									
Idaho (Thousands)	357.2	369.2	378.3	386.8	394.3	402.9	411.9	421.8	432.7
% Ch	2.8%	3.3%	2.5%	2.2%	1.9%	2.2%	2.2%	2.4%	2.6%

National Variables Forecast by Global Insight
Forecast Begins the THIRD Quarter of 2007

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	2002	2003	2004	2005	2006	2007	2008	2009	2010
POPULATION									
Idaho (Thousands)	1,342.0	1,365.5	1,391.0	1,428.0	1,465.7	1,499.5	1,529.4	1,558.1	1,590.3
% Ch	1.6%	1.8%	1.9%	2.7%	2.6%	2.3%	2.0%	1.9%	2.1%
National (Millions)	288.811	291.661	294.457	297.337	300.127	302.833	305.516	308.189	310.852
% Ch	1.0%	1.0%	1.0%	1.0%	0.9%	0.9%	0.9%	0.9%	0.9%
BIRTHS									
Idaho (Thousands)	21.002	21.735	22.526	23.069	24.127	24.988	25.698	26.358	27.156
% Ch	1.5%	3.5%	3.6%	2.4%	4.6%	3.6%	2.8%	2.6%	3.0%
National (Thousands)	4,092	4,124	4,161	4,204	4,244	4,288	4,332	4,376	4,420
% Ch	0.7%	0.8%	0.9%	1.0%	0.9%	1.0%	1.0%	1.0%	1.0%
DEATHS									
Idaho (Thousands)	9.935	10.308	10.020	10.413	10.867	11.097	11.306	11.507	11.728
% Ch	1.3%	3.8%	-2.8%	3.9%	4.4%	2.1%	1.9%	1.8%	1.9%
National (Thousands)	2,469	2,462	2,456	2,453	2,479	2,501	2,527	2,552	2,577
% Ch	-0.3%	-0.3%	-0.2%	-0.1%	1.1%	0.9%	1.0%	1.0%	1.0%
NET MIGRATION									
Idaho (Thousands)	10.247	12.077	13.013	24.319	24.513	19.847	15.559	13.860	16.736
HOUSING									
HOUSING STARTS									
Idaho	13,224	16,378	18,631	23,305	19,414	16,138	16,470	16,789	17,674
% Ch	8.3%	23.8%	13.8%	25.1%	-16.7%	-16.9%	2.1%	1.9%	5.3%
National (Millions)	1.710	1.854	1.950	2.073	1.812	1.344	1.116	1.403	1.586
% Ch	6.8%	8.4%	5.2%	6.3%	-12.6%	-25.8%	-17.0%	25.7%	13.1%
SINGLE UNITS									
Idaho	11,138	13,848	16,122	20,845	17,412	13,801	14,438	15,194	16,272
% Ch	7.3%	24.3%	16.4%	29.3%	-16.5%	-20.7%	4.6%	5.2%	7.1%
National (Millions)	1.363	1.505	1.604	1.719	1.474	1.045	0.821	1.086	1.280
% Ch	7.2%	10.4%	6.6%	7.1%	-14.2%	-29.1%	-21.4%	32.3%	17.9%
MULTIPLE UNITS									
Idaho	2,086	2,530	2,509	2,460	2,001	2,336	2,032	1,595	1,402
% Ch	14.1%	21.3%	-0.8%	-1.9%	-18.7%	16.7%	-13.0%	-21.5%	-12.1%
National (Millions)	0.347	0.349	0.345	0.354	0.338	0.299	0.295	0.317	0.306
% Ch	5.3%	0.5%	-1.0%	2.6%	-4.7%	-11.3%	-1.4%	7.3%	-3.6%
HOUSING STOCK									
Idaho (Thousands)	443.6	457.6	473.7	494.3	514.5	529.6	544.3	559.2	574.8
% Ch	2.5%	3.2%	3.5%	4.3%	4.1%	2.9%	2.8%	2.7%	2.8%

National Variables Forecast by Global Insight
Forecast Begins the THIRD Quarter of 2007

**IDAHO ECONOMIC FORECAST
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OCTOBER 2007**

OUTPUT, INCOME, & WAGES

	1993	1994	1995	1996	1997	1998	1999	2000	2001
U.S. GROSS DOM. PRODUCT (Billions)									
Current Dollars	6,657	7,072	7,398	7,817	8,304	8,747	9,268	9,817	10,128
% Ch	5.0%	6.2%	4.6%	5.7%	6.2%	5.3%	6.0%	5.9%	3.2%
2000 Chain-Weighted	7,533	7,835	8,032	8,329	8,704	9,067	9,470	9,817	9,891
% Ch	2.7%	4.0%	2.5%	3.7%	4.5%	4.2%	4.4%	3.7%	0.8%
PERSONAL INCOME - CURR \$									
Idaho (Millions)	20,072	21,422	22,871	24,360	25,367	27,287	29,068	31,290	33,054
% Ch	9.6%	6.7%	6.8%	6.5%	4.1%	7.6%	6.5%	7.6%	5.6%
Idaho Nonfarm (Millions)	19,009	20,685	22,057	23,433	24,611	26,350	28,054	30,448	32,039
% Ch	8.8%	8.8%	6.6%	6.2%	5.0%	7.1%	6.5%	8.5%	5.2%
National (Billions)	5,559	5,843	6,152	6,521	6,915	7,423	7,802	8,430	8,724
% Ch	3.7%	5.1%	5.3%	6.0%	6.1%	7.3%	5.1%	8.0%	3.5%
PERSONAL INCOME - 2000 \$									
Idaho (Millions)	22,858	23,892	24,973	26,040	26,666	28,429	29,788	31,289	32,376
% Ch	7.1%	4.5%	4.5%	4.3%	2.4%	6.6%	4.8%	5.0%	3.5%
Idaho Nonfarm (Millions)	21,648	23,068	24,085	25,048	25,871	27,452	28,748	30,447	31,382
% Ch	6.3%	6.6%	4.4%	4.0%	3.3%	6.1%	4.7%	5.9%	3.1%
National (Billions)	6,330	6,516	6,718	6,970	7,269	7,734	7,996	8,429	8,545
% Ch	1.3%	2.9%	3.1%	3.8%	4.3%	6.4%	3.4%	5.4%	1.4%
PER CAPITA PERS INC - CURR \$									
Idaho	18,103	18,708	19,431	20,246	20,649	21,788	22,784	24,084	25,029
% Ch	6.0%	3.3%	3.9%	4.2%	2.0%	5.5%	4.6%	5.7%	3.9%
National	21,322	22,142	23,043	24,139	25,295	26,840	27,891	29,803	30,518
% Ch	2.3%	3.8%	4.1%	4.8%	4.8%	6.1%	3.9%	6.9%	2.4%
PER CAPITA PERS INC - 2000 \$									
Idaho	20,617	20,866	21,218	21,642	21,707	22,700	23,349	24,084	24,515
% Ch	3.6%	1.2%	1.7%	2.0%	0.3%	4.6%	2.9%	3.1%	1.8%
National	24,282	24,695	25,163	25,803	26,591	27,964	28,584	29,802	29,893
% Ch	0.0%	1.7%	1.9%	2.5%	3.1%	5.2%	2.2%	4.3%	0.3%
AVERAGE ANNUAL WAGE									
Idaho	22,051	22,728	23,594	24,147	24,803	25,822	26,992	28,657	28,736
% Ch	2.0%	3.1%	3.8%	2.3%	2.7%	4.1%	4.5%	6.2%	0.3%
National	27,807	28,279	29,148	30,237	31,582	33,219	34,622	36,642	37,494
% Ch	1.4%	1.7%	3.1%	3.7%	4.5%	5.2%	4.2%	5.8%	2.3%

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OUTPUT, INCOME, & WAGES

	2002	2003	2004	2005	2006	2007	2008	2009	2010
U.S. GROSS DOM. PRODUCT (Billions)									
Current Dollars	10,470	10,961	11,686	12,434	13,195	13,804	14,321	15,020	15,741
% Ch	3.4%	4.7%	6.6%	6.4%	6.1%	4.6%	3.7%	4.9%	4.8%
2000 Chain-Weighted	10,049	10,301	10,676	11,004	11,319	11,542	11,778	12,123	12,460
% Ch	1.6%	2.5%	3.6%	3.1%	2.9%	2.0%	2.0%	2.9%	2.8%
 PERSONAL INCOME - CURR \$									
Idaho (Millions)	33,849	34,816	38,123	40,414	43,917	47,235	49,869	52,840	56,363
% Ch	2.4%	2.9%	9.5%	6.0%	8.7%	7.6%	5.6%	6.0%	6.7%
Idaho Nonfarm (Millions)	32,921	34,099	37,136	39,539	43,266	46,266	48,813	51,727	55,198
% Ch	2.8%	3.6%	8.9%	6.5%	9.4%	6.9%	5.5%	6.0%	6.7%
National (Billions)	8,882	9,164	9,727	10,301	10,983	11,695	12,255	12,875	13,550
% Ch	1.8%	3.2%	6.2%	5.9%	6.6%	6.5%	4.8%	5.1%	5.2%
 PERSONAL INCOME - 2000 \$									
Idaho (Millions)	32,690	32,970	35,167	36,214	38,295	40,241	41,728	43,453	45,504
% Ch	1.0%	0.9%	6.7%	3.0%	5.7%	5.1%	3.7%	4.1%	4.7%
Idaho Nonfarm (Millions)	31,795	32,290	34,256	35,429	37,727	39,415	40,844	42,538	44,564
% Ch	1.3%	1.6%	6.1%	3.4%	6.5%	4.5%	3.6%	4.1%	4.8%
National (Billions)	8,578	8,678	8,973	9,231	9,578	9,963	10,255	10,588	10,940
% Ch	0.4%	1.2%	3.4%	2.9%	3.8%	4.0%	2.9%	3.2%	3.3%
 PER CAPITA PERS INC - CURR \$									
Idaho	25,222	25,497	27,404	28,299	29,960	31,499	32,605	33,910	35,439
% Ch	0.8%	1.1%	7.5%	3.3%	5.9%	5.1%	3.5%	4.0%	4.5%
National	30,753	31,418	33,033	34,643	36,595	38,616	40,112	41,774	43,588
% Ch	0.8%	2.2%	5.1%	4.9%	5.6%	5.5%	3.9%	4.1%	4.3%
 PER CAPITA PERS INC - 2000 \$									
Idaho	24,360	24,145	25,281	25,360	26,125	26,836	27,283	27,887	28,612
% Ch	-0.6%	-0.9%	4.7%	0.3%	3.0%	2.7%	1.7%	2.2%	2.6%
National	29,702	29,752	30,473	31,044	31,911	32,899	33,565	34,354	35,192
% Ch	-0.6%	0.2%	2.4%	1.9%	2.8%	3.1%	2.0%	2.4%	2.4%
 AVERAGE ANNUAL WAGE									
Idaho	29,209	29,769	30,968	31,939	33,770	35,611	37,098	38,521	40,093
% Ch	1.6%	1.9%	4.0%	3.1%	5.7%	5.5%	4.2%	3.8%	4.1%
National	38,213	39,331	41,044	42,391	44,193	46,404	48,080	49,757	51,579
% Ch	1.9%	2.9%	4.4%	3.3%	4.3%	5.0%	3.6%	3.5%	3.7%

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PERSONAL INCOME--CURRENT \$\$

	1993	1994	1995	1996	1997	1998	1999	2000	2001
WAGE AND SALARY PAYMENTS									
Idaho (Millions)	9,979	10,896	11,701	12,284	13,078	13,936	15,024	16,552	16,880
% Ch	7.4%	9.2%	7.4%	5.0%	6.5%	6.6%	7.8%	10.2%	2.0%
National (Billions)	3,083	3,232	3,419	3,620	3,878	4,183	4,466	4,829	4,943
% Ch	3.4%	4.8%	5.8%	5.9%	7.1%	7.9%	6.8%	8.1%	2.4%
FARM PROPRIETORS INCOME									
Idaho (Millions)	836	453	515	643	425	607	690	471	646
% Ch	30.2%	-45.8%	13.6%	25.0%	-33.9%	42.8%	13.7%	-31.8%	37.1%
National (Billions)	31	34	23	37	34	29	29	23	20
% Ch	-9.5%	8.7%	-33.2%	64.5%	-8.3%	-14.1%	-2.6%	-20.7%	-13.1%
NONFARM PROPRIETORS INCOME									
Idaho (Millions)	2,087	2,312	2,229	2,324	2,313	2,480	2,765	2,883	3,312
% Ch	18.0%	10.8%	-3.6%	4.2%	-0.5%	7.2%	11.5%	4.3%	14.9%
National (Billions)	423	439	469	506	542	598	650	706	752
% Ch	7.5%	4.0%	6.8%	7.8%	7.1%	10.4%	8.6%	8.6%	6.6%
DIVIDENDS, RENT & INTEREST									
Idaho (Millions)	3,568	3,957	4,350	4,718	5,068	5,545	5,546	5,909	6,195
% Ch	6.8%	10.9%	9.9%	8.5%	7.4%	9.4%	0.0%	6.5%	4.8%
National (Billions)	997	1,070	1,139	1,221	1,310	1,421	1,412	1,537	1,547
% Ch	0.9%	7.3%	6.4%	7.2%	7.3%	8.4%	-0.6%	8.9%	0.7%
OTHER LABOR INCOME									
Idaho (Millions)	2,516	2,729	2,846	2,881	2,929	3,063	3,243	3,549	3,647
% Ch	12.6%	8.5%	4.3%	1.2%	1.7%	4.6%	5.9%	9.4%	2.8%
National (Billions)	472	493	494	492	498	530	562	610	643
% Ch	6.8%	4.4%	0.1%	-0.2%	1.0%	6.5%	6.2%	8.5%	5.4%
GOVT. TRANSFERS TO INDIV.									
Idaho (Millions)	2,645	2,789	3,023	3,319	3,408	3,557	3,776	4,079	4,568
% Ch	7.5%	5.5%	8.4%	9.8%	2.7%	4.4%	6.1%	8.0%	12.0%
National (Billions)	790	827	877	925	951	979	1,022	1,084	1,194
% Ch	5.4%	4.7%	6.1%	5.4%	2.8%	2.9%	4.4%	6.1%	10.1%
CONTRIB. FOR SOCIAL INSUR.									
Idaho (Millions)	1,767	1,951	2,074	2,134	2,223	2,337	2,480	2,676	2,724
% Ch	9.5%	10.5%	6.3%	2.9%	4.2%	5.1%	6.1%	7.9%	1.8%
National (Billions)	240	254	264	275	290	307	323	344	357
% Ch	5.0%	6.0%	3.9%	4.1%	5.3%	6.0%	5.3%	6.2%	3.8%
RESIDENCE ADJUSTMENT									
Idaho (Millions)	210	238	281	326	369	437	504	525	531
% Ch	9.5%	13.3%	18.3%	15.9%	13.2%	18.3%	15.4%	4.1%	1.1%

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PERSONAL INCOME--CURRENT \$\$

	2002	2003	2004	2005	2006	2007	2008	2009	2010
WAGE AND SALARY PAYMENTS									
Idaho (Millions)	17,256	17,690	18,904	20,298	22,366	24,014	25,362	26,867	28,714
% Ch	2.2%	2.5%	6.9%	7.4%	10.2%	7.4%	5.6%	5.9%	6.9%
National (Billions)	4,981	5,113	5,395	5,668	6,018	6,400	6,681	6,999	7,344
% Ch	0.8%	2.6%	5.5%	5.1%	6.2%	6.3%	4.4%	4.8%	4.9%
FARM PROPRIETORS INCOME									
Idaho (Millions)	497	337	585	412	154	446	514	562	607
% Ch	-23.0%	-32.2%	73.5%	-29.6%	-62.7%	190.0%	15.3%	9.4%	8.0%
National (Billions)	11	29	37	31	19	34	28	25	26
% Ch	-46.3%	176.4%	27.8%	-17.5%	-37.2%	75.4%	-17.3%	-12.5%	4.5%
NONFARM PROPRIETORS INCOME									
Idaho (Millions)	3,290	3,389	3,848	4,192	4,457	4,573	4,806	5,133	5,438
% Ch	-0.6%	3.0%	13.5%	8.9%	6.3%	2.6%	5.1%	6.8%	5.9%
National (Billions)	758	782	874	939	987	1,010	1,059	1,129	1,193
% Ch	0.7%	3.2%	11.8%	7.4%	5.1%	2.3%	4.9%	6.5%	5.7%
DIVIDENDS, RENT & INTEREST									
Idaho (Millions)	6,051	6,227	7,057	7,194	7,915	8,563	9,137	9,792	10,597
% Ch	-2.3%	2.9%	13.3%	1.9%	10.0%	8.2%	6.7%	7.2%	8.2%
National (Billions)	1,486	1,470	1,551	1,661	1,851	2,007	2,126	2,253	2,406
% Ch	-4.0%	-1.1%	5.5%	7.1%	11.5%	8.4%	5.9%	6.0%	6.8%
OTHER LABOR INCOME									
Idaho (Millions)	4,041	4,259	4,582	4,976	5,451	5,776	5,993	6,222	6,571
% Ch	10.8%	5.4%	7.6%	8.6%	9.5%	6.0%	3.8%	3.8%	5.6%
National (Billions)	745	816	869	928	971	1,017	1,052	1,089	1,136
% Ch	15.9%	9.5%	6.5%	6.8%	4.6%	4.7%	3.5%	3.5%	4.3%
GOVT. TRANSFERS TO INDIV.									
Idaho (Millions)	4,971	5,254	5,632	6,054	6,598	7,100	7,472	7,910	8,356
% Ch	8.8%	5.7%	7.2%	7.5%	9.0%	7.6%	5.2%	5.8%	5.7%
National (Billions)	1,286	1,351	1,423	1,521	1,612	1,732	1,835	1,932	2,026
% Ch	7.7%	5.0%	5.3%	6.9%	6.0%	7.4%	5.9%	5.3%	4.9%
CONTRIB. FOR SOCIAL INSUR.									
Idaho (Millions)	2,802	2,909	3,100	3,372	3,733	4,002	4,210	4,459	4,760
% Ch	2.9%	3.8%	6.6%	8.8%	10.7%	7.2%	5.2%	5.9%	6.8%
National (Billions)	365	382	408	429	452	478	497	520	545
% Ch	2.4%	4.6%	6.9%	5.1%	5.3%	5.7%	4.0%	4.7%	4.8%
RESIDENCE ADJUSTMENT									
Idaho (Millions)	544	570	617	661	710	763	795	813	839
% Ch	2.5%	4.9%	8.2%	7.2%	7.5%	7.5%	4.1%	2.3%	3.2%

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EMPLOYMENT

	1993	1994	1995	1996	1997	1998	1999	2000	2001
TOTAL NONFARM EMPLOYMENT									
Idaho	434,502	460,209	477,044	490,901	507,424	520,478	538,101	558,581	568,033
% Ch	5.1%	5.9%	3.7%	2.9%	3.4%	2.6%	3.4%	3.8%	1.7%
National (Thousands)	110,847	114,282	117,306	119,699	122,767	125,924	128,992	131,792	131,832
% Ch	2.0%	3.1%	2.6%	2.0%	2.6%	2.6%	2.4%	2.2%	0.0%
GOODS PRODUCING SECTOR									
Idaho	90,363	97,411	98,309	102,402	105,506	106,975	108,723	111,884	110,226
% Ch	6.3%	7.8%	0.9%	4.2%	3.0%	1.4%	1.6%	2.9%	-1.5%
National (Thousands)	22,221	22,777	23,161	23,412	23,884	24,352	24,467	24,653	23,874
% Ch	0.6%	2.5%	1.7%	1.1%	2.0%	2.0%	0.5%	0.8%	-3.2%
MANUFACTURING									
Idaho	63,131	65,717	65,639	68,313	70,185	71,528	71,213	73,032	70,392
% Ch	5.4%	4.1%	-0.1%	4.1%	2.7%	1.9%	-0.4%	2.6%	-3.6%
National (Thousands)	16,857	17,106	17,327	17,317	17,500	17,640	17,404	17,345	16,515
% Ch	-0.1%	1.5%	1.3%	-0.1%	1.1%	0.8%	-1.3%	-0.3%	-4.8%
DURABLE MANUFACTURING									
Idaho	34,785	37,821	39,957	42,447	44,215	45,892	45,698	47,407	45,099
% Ch	8.3%	8.7%	5.6%	6.2%	4.2%	3.8%	-0.4%	3.7%	-4.9%
National (Thousands)	9,983	10,214	10,456	10,565	10,785	10,990	10,912	10,956	10,408
% Ch	-0.4%	2.3%	2.4%	1.0%	2.1%	1.9%	-0.7%	0.4%	-5.0%
LOGGING & WOOD PRODUCTS									
Idaho	10,796	11,774	11,864	12,024	11,898	11,463	11,480	11,567	9,849
% Ch	3.2%	9.1%	0.8%	1.3%	-1.0%	-3.6%	0.1%	0.8%	-14.9%
National (Thousands)	605	643	656	663	677	689	701	692	647
% Ch	4.3%	6.2%	2.0%	1.1%	2.1%	1.7%	1.8%	-1.3%	-6.5%
METAL FABRICATION									
Idaho	2,577	2,958	3,410	3,582	3,793	3,826	3,942	4,030	3,876
% Ch	5.8%	14.8%	15.3%	5.0%	5.9%	0.9%	3.0%	2.2%	-3.8%
National (Thousands)	1,510	1,566	1,624	1,648	1,696	1,739	1,728	1,753	1,677
% Ch	0.8%	3.7%	3.7%	1.5%	2.9%	2.6%	-0.6%	1.4%	-4.4%
MACHINERY									
Idaho	2,613	2,901	3,078	3,189	3,065	3,178	3,039	3,305	3,056
% Ch	11.1%	11.0%	6.1%	3.6%	-3.9%	3.7%	-4.4%	8.7%	-7.5%
National (Thousands)	1,329	1,379	1,440	1,466	1,494	1,512	1,466	1,455	1,368
% Ch	1.5%	3.8%	4.4%	1.8%	1.9%	1.3%	-3.1%	-0.8%	-6.0%
COMPUTER & ELECTRONICS									
Idaho	13,169	13,646	14,324	16,280	17,727	19,055	18,406	19,454	19,656
% Ch	12.1%	3.6%	5.0%	13.7%	8.9%	7.5%	-3.4%	5.7%	1.0%
National (Thousands)	1,656	1,651	1,688	1,747	1,803	1,831	1,781	1,820	1,749
% Ch	-3.0%	-0.3%	2.3%	3.4%	3.2%	1.5%	-2.7%	2.2%	-3.9%
OTHER DURABLES									
Idaho	5,630	6,542	7,280	7,373	7,732	8,370	8,831	9,050	8,663
% Ch	9.8%	16.2%	11.3%	1.3%	4.9%	8.3%	5.5%	2.5%	-4.3%
National (Thousands)	4,883	4,975	5,047	5,041	5,115	5,218	5,235	5,236	4,967
% Ch	-1.0%	1.9%	1.4%	-0.1%	1.5%	2.0%	0.3%	0.0%	-5.1%

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EMPLOYMENT

	2002	2003	2004	2005	2006	2007	2008	2009	2010
TOTAL NONFARM EMPLOYMENT									
Idaho	568,043	572,544	588,059	611,713	638,899	650,898	659,784	673,918	693,178
% Ch	0.0%	0.8%	2.7%	4.0%	4.4%	1.9%	1.4%	2.1%	2.9%
National (Thousands)	130,347	129,990	131,423	133,696	136,175	137,919	138,949	140,654	142,375
% Ch	-1.1%	-0.3%	1.1%	1.7%	1.9%	1.3%	0.7%	1.2%	1.2%
GOODS PRODUCING SECTOR									
Idaho	105,031	102,386	105,456	112,351	122,311	121,867	116,906	116,156	118,172
% Ch	-4.7%	-2.5%	3.0%	6.5%	8.9%	-0.4%	-4.1%	-0.6%	1.7%
National (Thousands)	22,555	21,811	21,882	22,192	22,576	22,400	21,842	21,654	21,798
% Ch	-5.5%	-3.3%	0.3%	1.4%	1.7%	-0.8%	-2.5%	-0.9%	0.7%
MANUFACTURING									
Idaho	66,804	63,861	63,680	65,040	67,848	68,022	66,051	65,680	67,306
% Ch	-5.1%	-4.4%	-0.3%	2.1%	4.3%	0.3%	-2.9%	-0.6%	2.5%
National (Thousands)	15,328	14,575	14,384	14,294	14,267	14,120	13,879	13,725	13,761
% Ch	-7.2%	-4.9%	-1.3%	-0.6%	-0.2%	-1.0%	-1.7%	-1.1%	0.3%
DURABLE MANUFACTURING									
Idaho	42,320	39,949	40,548	42,111	44,610	44,408	42,299	41,630	43,101
% Ch	-6.2%	-5.6%	1.5%	3.9%	5.9%	-0.5%	-4.7%	-1.6%	3.5%
National (Thousands)	9,553	9,030	8,992	9,021	9,069	8,966	8,773	8,677	8,758
% Ch	-8.2%	-5.5%	-0.4%	0.3%	0.5%	-1.1%	-2.1%	-1.1%	0.9%
LOGGING & WOOD PRODUCTS									
Idaho	9,553	9,047	9,295	9,619	10,035	9,542	8,621	8,352	9,085
% Ch	-3.0%	-5.3%	2.7%	3.5%	4.3%	-4.9%	-9.7%	-3.1%	8.8%
National (Thousands)	625	607	617	625	626	591	522	503	540
% Ch	-3.3%	-3.0%	1.8%	1.2%	0.2%	-5.5%	-11.8%	-3.5%	7.3%
METAL FABRICATION									
Idaho	3,636	3,537	3,636	3,905	4,377	4,675	4,709	4,755	4,866
% Ch	-6.2%	-2.7%	2.8%	7.4%	12.1%	6.8%	0.7%	1.0%	2.3%
National (Thousands)	1,549	1,479	1,497	1,522	1,554	1,571	1,595	1,581	1,590
% Ch	-7.6%	-4.5%	1.2%	1.7%	2.1%	1.1%	1.5%	-0.9%	0.6%
MACHINERY									
Idaho	2,832	2,633	2,570	2,606	2,865	2,934	2,895	2,805	2,804
% Ch	-7.3%	-7.0%	-2.4%	1.4%	9.9%	2.4%	-1.3%	-3.1%	-0.1%
National (Thousands)	1,229	1,149	1,143	1,163	1,192	1,221	1,203	1,200	1,199
% Ch	-10.2%	-6.5%	-0.5%	1.7%	2.5%	2.4%	-1.5%	-0.3%	-0.1%
COMPUTER & ELECTRONICS									
Idaho	17,933	16,297	16,285	16,182	16,664	16,566	15,506	14,733	14,818
% Ch	-8.8%	-9.1%	-0.1%	-0.6%	3.0%	-0.6%	-6.4%	-5.0%	0.6%
National (Thousands)	1,507	1,355	1,323	1,316	1,316	1,309	1,282	1,233	1,220
% Ch	-13.8%	-10.1%	-2.4%	-0.5%	0.0%	-0.5%	-2.1%	-3.8%	-1.1%
OTHER DURABLES									
Idaho	8,366	8,436	8,762	9,798	10,669	10,691	10,568	10,985	11,528
% Ch	-3.4%	0.8%	3.9%	11.8%	8.9%	0.2%	-1.1%	3.9%	4.9%
National (Thousands)	4,643	4,440	4,412	4,395	4,380	4,273	4,171	4,160	4,210
% Ch	-6.5%	-4.4%	-0.6%	-0.4%	-0.3%	-2.4%	-2.4%	-0.3%	1.2%

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EMPLOYMENT

MANUFACTURING (continued)	1993	1994	1995	1996	1997	1998	1999	2000	2001
NONDURABLE MANUFACTURING									
Idaho	28,346	27,897	25,682	25,866	25,970	25,636	25,515	25,625	25,294
% Ch	2.0%	-1.6%	-7.9%	0.7%	0.4%	-1.3%	-0.5%	0.4%	-1.3%
National (Thousands)	6,874	6,892	6,871	6,752	6,715	6,650	6,493	6,388	6,107
% Ch	0.3%	0.3%	-0.3%	-1.7%	-0.6%	-1.0%	-2.4%	-1.6%	-4.4%
FOOD PROCESSING									
Idaho	17,856	17,369	16,827	17,119	17,263	16,830	16,705	16,660	16,521
% Ch	2.4%	-2.7%	-3.1%	1.7%	0.8%	-2.5%	-0.7%	-0.3%	-0.8%
National (Thousands)	1,535	1,540	1,561	1,562	1,557	1,555	1,550	1,553	1,550
% Ch	1.1%	0.3%	1.3%	0.1%	-0.3%	-0.1%	-0.3%	0.2%	-0.2%
PRINTING									
Idaho	2,231	2,241	2,308	2,365	2,326	2,307	2,234	2,339	2,225
% Ch	0.9%	0.4%	3.0%	2.5%	-1.6%	-0.8%	-3.2%	4.7%	-4.9%
National (Thousands)	785	802	817	816	821	828	814	807	769
% Ch	0.6%	2.2%	1.9%	-0.2%	0.6%	0.8%	-1.6%	-0.9%	-4.7%
CHEMICALS									
Idaho	4,210	4,099	2,354	2,330	2,273	2,361	2,314	2,336	2,324
% Ch	-1.1%	-2.6%	-42.6%	-1.0%	-2.5%	3.9%	-2.0%	1.0%	-0.5%
National (Thousands)	1,025	1,005	988	985	987	993	983	980	959
% Ch	-0.4%	-2.0%	-1.7%	-0.3%	0.2%	0.6%	-1.0%	-0.2%	-2.2%
OTHER NONDURABLES									
Idaho	4,049	4,187	4,193	4,051	4,108	4,138	4,262	4,290	4,224
% Ch	4.2%	3.4%	0.1%	-3.4%	1.4%	0.7%	3.0%	0.7%	-1.5%
National (Thousands)	3,529	3,545	3,505	3,390	3,350	3,274	3,145	3,048	2,829
% Ch	0.1%	0.5%	-1.1%	-3.3%	-1.2%	-2.3%	-3.9%	-3.1%	-7.2%
MINING									
Idaho	2,164	2,367	2,683	2,977	2,996	2,817	2,485	2,347	1,973
% Ch	-16.1%	9.4%	13.3%	11.0%	0.6%	-6.0%	-11.8%	-5.5%	-15.9%
National (Thousands)	585	576	558	556	571	565	518	520	532
% Ch	-4.1%	-1.4%	-3.2%	-0.3%	2.7%	-1.1%	-8.4%	0.5%	2.4%
CONSTRUCTION									
Idaho	25,068	29,326	29,988	31,112	32,324	32,629	35,025	36,505	37,861
% Ch	11.4%	17.0%	2.3%	3.7%	3.9%	0.9%	7.3%	4.2%	3.7%
National (Thousands)	4,779	5,094	5,276	5,538	5,813	6,147	6,545	6,788	6,827
% Ch	3.8%	6.6%	3.6%	5.0%	5.0%	5.8%	6.5%	3.7%	0.6%
NONGOODS PRODUCING									
Idaho	344,138	362,798	378,735	388,499	401,918	413,504	429,378	446,697	457,807
% Ch	4.8%	5.4%	4.4%	2.6%	3.5%	2.9%	3.8%	4.0%	2.5%
National (Thousands)	88,626	91,505	94,145	96,287	98,883	101,571	104,525	107,139	107,958
% Ch	2.3%	3.2%	2.9%	2.3%	2.7%	2.7%	2.9%	2.5%	0.8%
SERVICES									
Idaho	173,523	185,542	196,052	202,106	210,034	217,465	227,557	238,281	249,578
% Ch	6.3%	6.9%	5.7%	3.1%	3.9%	3.5%	4.6%	4.7%	4.7%
National (Thousands)	51,520	53,498	55,382	57,094	59,170	61,256	63,350	65,137	65,824
% Ch	3.2%	3.8%	3.5%	3.1%	3.6%	3.5%	3.4%	2.8%	1.1%
INFORMATION									
Idaho	7,195	7,413	7,602	7,699	7,587	8,376	9,274	9,859	9,596
% Ch	1.6%	3.0%	2.5%	1.3%	-1.5%	10.4%	10.7%	6.3%	-2.7%
National (Thousands)	2,667	2,739	2,844	2,940	3,084	3,219	3,418	3,629	3,629
% Ch	1.0%	2.7%	3.8%	3.4%	4.9%	4.4%	6.2%	6.2%	0.0%
FINANCIAL ACTIVITIES									
Idaho	23,257	24,520	25,492	26,833	26,835	24,256	25,306	25,161	25,013
% Ch	5.2%	5.4%	4.0%	5.3%	0.0%	-9.6%	4.3%	-0.6%	-0.6%
National (Thousands)	6,708	6,866	6,828	6,969	7,178	7,462	7,646	7,688	7,808
% Ch	2.6%	2.4%	-0.6%	2.1%	3.0%	4.0%	2.5%	0.5%	1.6%

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EMPLOYMENT

MANUFACTURING (continued)	2002	2003	2004	2005	2006	2007	2008	2009	2010
NONDURABLE MANUFACTURING									
Idaho	24,484	23,913	23,132	22,930	23,237	23,614	23,752	24,050	24,205
% Ch	-3.2%	-2.3%	-3.3%	-0.9%	1.3%	1.6%	0.6%	1.3%	0.6%
National (Thousands)	5,774	5,545	5,392	5,273	5,198	5,154	5,106	5,048	5,003
% Ch	-5.4%	-4.0%	-2.8%	-2.2%	-1.4%	-0.8%	-0.9%	-1.1%	-0.9%
FOOD PROCESSING									
Idaho	16,354	15,900	14,999	14,714	14,700	14,981	15,199	15,430	15,521
% Ch	-1.0%	-2.8%	-5.7%	-1.9%	-0.1%	1.9%	1.5%	1.5%	0.6%
National (Thousands)	1,525	1,517	1,495	1,478	1,485	1,502	1,525	1,549	1,561
% Ch	-1.6%	-0.5%	-1.5%	-1.1%	0.4%	1.1%	1.5%	1.6%	0.8%
PRINTING									
Idaho	2,033	2,030	1,921	1,900	1,908	1,892	1,827	1,814	1,779
% Ch	-8.6%	-0.1%	-5.3%	-1.1%	0.4%	-0.8%	-3.4%	-0.7%	-1.9%
National (Thousands)	707	680	663	646	636	631	624	611	600
% Ch	-8.1%	-3.7%	-2.6%	-2.4%	-1.6%	-0.8%	-1.1%	-2.0%	-1.8%
CHEMICALS									
Idaho	1,925	1,831	1,878	1,938	2,116	2,183	2,094	2,067	2,035
% Ch	-17.1%	-4.9%	2.6%	3.2%	9.2%	3.1%	-4.1%	-1.3%	-1.5%
National (Thousands)	927	906	887	872	869	874	871	857	851
% Ch	-3.3%	-2.3%	-2.1%	-1.7%	-0.4%	0.6%	-0.4%	-1.7%	-0.7%
OTHER NONDURABLES									
Idaho	4,172	4,151	4,333	4,378	4,514	4,559	4,632	4,739	4,871
% Ch	-1.2%	-0.5%	4.4%	1.0%	3.1%	1.0%	1.6%	2.3%	2.8%
National (Thousands)	2,615	2,442	2,348	2,276	2,209	2,148	2,086	2,031	1,991
% Ch	-7.6%	-6.6%	-3.9%	-3.0%	-3.0%	-2.8%	-2.8%	-2.6%	-2.0%
MINING									
Idaho	1,758	1,785	1,932	2,161	2,375	2,491	2,218	2,183	2,154
% Ch	-10.9%	1.5%	8.2%	11.9%	9.9%	4.9%	-10.9%	-1.6%	-1.3%
National (Thousands)	512	503	523	562	619	659	664	654	642
% Ch	-3.8%	-1.8%	4.0%	7.5%	10.1%	6.5%	0.8%	-1.5%	-1.8%
CONSTRUCTION									
Idaho	36,468	36,740	39,844	45,149	52,088	51,354	48,637	48,293	48,713
% Ch	-3.7%	0.7%	8.4%	13.3%	15.4%	-1.4%	-5.3%	-0.7%	0.9%
National (Thousands)	6,715	6,734	6,976	7,336	7,690	7,621	7,299	7,276	7,394
% Ch	-1.6%	0.3%	3.6%	5.2%	4.8%	-0.9%	-4.2%	-0.3%	1.6%
NONGOODS PRODUCING									
Idaho	463,012	470,158	482,603	499,362	516,588	529,031	542,877	557,761	575,006
% Ch	1.1%	1.5%	2.6%	3.5%	3.4%	2.4%	2.6%	2.7%	3.1%
National (Thousands)	107,792	108,179	109,541	111,505	113,599	115,519	117,108	119,000	120,578
% Ch	-0.2%	0.4%	1.3%	1.8%	1.9%	1.7%	1.4%	1.6%	1.3%
SERVICES									
Idaho	253,631	260,020	269,017	280,746	292,725	300,675	309,935	319,963	330,921
% Ch	1.6%	2.5%	3.5%	4.4%	4.3%	2.7%	3.1%	3.2%	3.4%
National (Thousands)	65,602	66,075	67,201	68,655	70,393	71,909	73,127	74,614	75,885
% Ch	-0.3%	0.7%	1.7%	2.2%	2.5%	2.2%	1.7%	2.0%	1.7%
INFORMATION									
Idaho	9,156	9,181	9,934	11,070	10,589	10,817	10,945	11,251	11,582
% Ch	-4.6%	0.3%	8.2%	11.4%	-4.3%	2.2%	1.2%	2.8%	2.9%
National (Thousands)	3,394	3,189	3,117	3,060	3,054	3,082	3,082	3,064	3,064
% Ch	-6.5%	-6.1%	-2.3%	-1.8%	-0.2%	0.9%	0.0%	-0.6%	0.0%
FINANCIAL ACTIVITIES									
Idaho	25,824	26,944	27,937	29,653	31,744	32,572	33,489	34,448	35,469
% Ch	3.2%	4.3%	3.7%	6.1%	7.1%	2.6%	2.8%	2.9%	3.0%
National (Thousands)	7,847	7,976	8,031	8,153	8,363	8,456	8,436	8,561	8,729
% Ch	0.5%	1.6%	0.7%	1.5%	2.6%	1.1%	-0.2%	1.5%	2.0%

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SERVICES (Continued)									
	1993	1994	1995	1996	1997	1998	1999	2000	2001
TRANS., WAREHOUSING, UTILITIES									
Idaho	14,557	15,465	16,508	17,329	17,624	18,159	19,004	19,409	19,157
% Ch	3.6%	6.2%	6.7%	5.0%	1.7%	3.0%	4.7%	2.1%	-1.3%
National (Thousands)	4,264	4,390	4,505	4,576	4,647	4,781	4,906	5,013	4,973
% Ch	1.8%	2.9%	2.6%	1.6%	1.5%	2.9%	2.6%	2.2%	-0.8%
PROFESSIONAL & BUSINESS									
Idaho	36,872	39,173	42,480	42,934	47,295	50,766	54,794	60,626	67,656
% Ch	9.2%	6.2%	8.4%	1.1%	10.2%	7.3%	7.9%	10.6%	11.6%
National (Thousands)	11,493	12,171	12,846	13,461	14,333	15,142	15,954	16,670	16,481
% Ch	4.8%	5.9%	5.6%	4.8%	6.5%	5.6%	5.4%	4.5%	-1.1%
EDUCATION & HEALTH									
Idaho	36,841	39,048	41,491	44,361	46,347	49,248	50,574	53,017	56,956
% Ch	6.6%	6.0%	6.3%	6.9%	4.5%	6.3%	2.7%	4.8%	7.4%
National (Thousands)	12,303	12,806	13,288	13,683	14,088	14,445	14,795	15,109	15,643
% Ch	3.5%	4.1%	3.8%	3.0%	3.0%	2.5%	2.4%	2.1%	3.5%
LEISURE & HOSPITALITY									
Idaho	41,375	44,568	46,651	47,558	48,840	50,425	51,461	52,566	53,058
% Ch	4.4%	7.7%	4.7%	1.9%	2.7%	3.2%	2.1%	2.1%	0.9%
National (Thousands)	9,733	10,098	10,499	10,774	11,016	11,232	11,544	11,860	12,032
% Ch	3.1%	3.7%	4.0%	2.6%	2.3%	2.0%	2.8%	2.7%	1.5%
OTHER SERVICES									
Idaho	13,426	15,356	15,829	15,393	15,506	16,235	17,144	17,643	18,143
% Ch	11.5%	14.4%	3.1%	-2.8%	0.7%	4.7%	5.6%	2.9%	2.8%
National (Thousands)	4,350	4,429	4,572	4,691	4,825	4,976	5,087	5,168	5,258
% Ch	2.6%	1.8%	3.2%	2.6%	2.9%	3.1%	2.2%	1.6%	1.7%
TRADE									
Idaho	78,874	83,336	86,215	89,134	91,683	93,772	96,725	100,169	98,088
% Ch	3.9%	5.7%	3.5%	3.4%	2.9%	2.3%	3.1%	3.6%	-2.1%
National (Thousands)	18,113	18,733	19,328	19,663	20,053	20,405	20,863	21,212	21,013
% Ch	1.0%	3.4%	3.2%	1.7%	2.0%	1.8%	2.2%	1.7%	-0.9%
RETAIL TRADE									
Idaho	57,743	61,034	63,162	65,408	67,175	69,160	71,419	74,456	72,622
% Ch	5.3%	5.7%	3.5%	3.6%	2.7%	3.0%	3.3%	4.3%	-2.5%
National (Thousands)	13,019	13,486	13,895	14,141	14,390	14,610	14,971	15,279	15,240
% Ch	1.5%	3.6%	3.0%	1.8%	1.8%	1.5%	2.5%	2.1%	-0.3%
WHOLESALE TRADE									
Idaho	21,132	22,303	23,053	23,726	24,508	24,612	25,306	25,713	25,466
% Ch	0.2%	5.5%	3.4%	2.9%	3.3%	0.4%	2.8%	1.6%	-1.0%
National (Thousands)	5,094	5,247	5,433	5,523	5,663	5,795	5,893	5,933	5,773
% Ch	-0.3%	3.0%	3.5%	1.6%	2.6%	2.3%	1.7%	0.7%	-2.7%
STATE & LOCAL GOVERNMENT									
Idaho	78,166	80,426	83,354	84,359	87,297	89,467	92,262	94,744	96,861
% Ch	3.0%	2.9%	3.6%	1.2%	3.5%	2.5%	3.1%	2.7%	2.2%
National (Thousands)	15,436	15,674	15,931	16,258	16,488	16,653	16,854	17,139	17,542
% Ch	1.4%	1.5%	1.6%	2.1%	1.4%	1.0%	1.2%	1.7%	2.4%
EDUCATION									
Idaho	39,830	40,542	42,571	42,572	44,219	45,412	46,748	47,988	49,023
% Ch	3.4%	1.8%	5.0%	0.0%	3.9%	2.7%	2.9%	2.7%	2.2%
NONEDUCATION									
Idaho	38,336	39,884	40,783	41,787	43,078	44,055	45,513	46,756	47,839
% Ch	2.6%	4.0%	2.3%	2.5%	3.1%	2.3%	3.3%	2.7%	2.3%
FEDERAL GOVERNMENT									
Idaho	13,575	13,493	13,113	12,899	12,904	12,800	12,834	13,502	13,280
% Ch	0.9%	-0.6%	-2.8%	-1.6%	0.0%	-0.8%	0.3%	5.2%	-1.6%
National (Thousands)	3,062	3,016	2,947	2,876	2,806	2,771	2,770	2,865	2,763
% Ch	-1.6%	-1.5%	-2.3%	-2.4%	-2.5%	-1.2%	0.0%	3.4%	-3.6%

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SERVICES (Continued)	2002	2003	2004	2005	2006	2007	2008	2009	2010
TRANS., WAREHOUSING, UTILITIES									
Idaho	18,676	18,763	18,946	19,294	20,242	20,810	20,808	20,794	20,919
% Ch	-2.5%	0.5%	1.0%	1.8%	4.9%	2.8%	0.0%	-0.1%	0.6%
National (Thousands)	4,820	4,761	4,811	4,916	5,014	5,085	5,158	5,278	5,410
% Ch	-3.1%	-1.2%	1.0%	2.2%	2.0%	1.4%	1.4%	2.3%	2.5%
PROFESSIONAL & BUSINESS									
Idaho	69,019	70,008	73,147	76,913	81,364	81,663	84,698	88,388	92,207
% Ch	2.0%	1.4%	4.5%	5.1%	5.8%	0.4%	3.7%	4.4%	4.3%
National (Thousands)	15,981	15,987	16,386	16,946	17,555	17,910	18,236	19,000	19,652
% Ch	-3.0%	0.0%	2.5%	3.4%	3.6%	2.0%	1.8%	4.2%	3.4%
EDUCATION & HEALTH									
Idaho	59,809	62,550	65,214	67,986	70,106	73,414	75,772	78,059	80,836
% Ch	5.0%	4.6%	4.3%	4.2%	3.1%	4.7%	3.2%	3.0%	3.6%
National (Thousands)	16,201	16,588	16,952	17,371	17,836	18,359	18,801	19,161	19,358
% Ch	3.6%	2.4%	2.2%	2.5%	2.7%	2.9%	2.4%	1.9%	1.0%
LEISURE & HOSPITALITY									
Idaho	53,281	54,406	55,570	57,356	59,666	61,989	64,098	66,101	68,078
% Ch	0.4%	2.1%	2.1%	3.2%	4.0%	3.9%	3.4%	3.1%	3.0%
National (Thousands)	11,986	12,173	12,495	12,814	13,139	13,533	13,859	14,051	14,196
% Ch	-0.4%	1.6%	2.6%	2.6%	2.5%	3.0%	2.4%	1.4%	1.0%
OTHER SERVICES									
Idaho	17,867	18,167	18,269	18,474	19,014	19,409	20,126	20,921	21,830
% Ch	-1.5%	1.7%	0.6%	1.1%	2.9%	2.1%	3.7%	4.0%	4.3%
National (Thousands)	5,372	5,401	5,409	5,394	5,432	5,484	5,556	5,500	5,476
% Ch	2.2%	0.5%	0.1%	-0.3%	0.7%	1.0%	1.3%	-1.0%	-0.4%
TRADE									
Idaho	97,343	97,118	99,129	103,674	107,466	111,823	115,276	119,184	123,983
% Ch	-0.8%	-0.2%	2.1%	4.6%	3.7%	4.1%	3.1%	3.4%	4.0%
National (Thousands)	20,680	20,524	20,721	21,043	21,218	21,396	21,596	21,861	21,961
% Ch	-1.6%	-0.8%	1.0%	1.6%	0.8%	0.8%	0.9%	1.2%	0.5%
RETAIL TRADE									
Idaho	72,396	72,622	73,720	76,796	80,509	83,877	86,492	89,558	93,311
% Ch	-0.3%	0.3%	1.5%	4.2%	4.8%	4.2%	3.1%	3.5%	4.2%
National (Thousands)	15,027	14,916	15,059	15,281	15,321	15,390	15,548	15,767	15,794
% Ch	-1.4%	-0.7%	1.0%	1.5%	0.3%	0.4%	1.0%	1.4%	0.2%
WHOLESALE TRADE									
Idaho	24,947	24,497	25,408	26,879	26,957	27,946	28,784	29,626	30,672
% Ch	-2.0%	-1.8%	3.7%	5.8%	0.3%	3.7%	3.0%	2.9%	3.5%
National (Thousands)	5,653	5,608	5,662	5,762	5,897	6,006	6,048	6,094	6,166
% Ch	-2.1%	-0.8%	1.0%	1.8%	2.3%	1.9%	0.7%	0.7%	1.2%
STATE & LOCAL GOVERNMENT									
Idaho	98,487	99,397	101,147	101,864	103,524	103,606	104,683	105,510	106,575
% Ch	1.7%	0.9%	1.8%	0.7%	1.6%	0.1%	1.0%	0.8%	1.0%
National (Thousands)	18,744	18,819	18,889	19,074	19,260	19,500	19,663	19,800	19,951
% Ch	2.1%	0.4%	0.4%	1.0%	1.0%	1.2%	0.8%	0.7%	0.8%
EDUCATION									
Idaho	49,655	49,908	50,812	51,300	52,645	53,036	53,767	54,475	55,349
% Ch	1.3%	0.5%	1.8%	1.0%	2.6%	0.7%	1.4%	1.3%	1.6%
NONEDUCATION									
Idaho	48,832	49,490	50,334	50,564	50,878	50,570	50,916	51,035	51,226
% Ch	2.1%	1.3%	1.7%	0.5%	0.6%	-0.6%	0.7%	0.2%	0.4%
FEDERAL GOVERNMENT									
Idaho	13,551	13,623	13,310	13,078	12,873	12,928	12,983	13,104	13,527
% Ch	2.0%	0.5%	-2.3%	-1.7%	-1.6%	0.4%	0.4%	0.9%	3.2%
National (Thousands)	2,766	2,761	2,731	2,732	2,728	2,715	2,722	2,725	2,781
% Ch	0.1%	-0.2%	-1.1%	0.1%	-0.2%	-0.5%	0.3%	0.1%	2.1%

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**IDAHO ECONOMIC FORECAST
ANNUAL DETAIL
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MISCELLANEOUS

	1993	1994	1995	1996	1997	1998	1999	2000	2001
SELECTED CHAIN-WEIGHTED DEFL.									
Gross Domestic Product	88.391	90.265	92.115	93.859	95.415	96.475	97.868	100.000	102.402
% Ch	2.3%	2.1%	2.0%	1.9%	1.7%	1.1%	1.4%	2.2%	2.4%
Consumption Expenditures	87.804	89.654	91.577	93.547	95.124	95.978	97.575	100.000	102.094
% Ch	2.3%	2.1%	2.1%	2.2%	1.7%	0.9%	1.7%	2.5%	2.1%
Durable Goods	107.841	109.978	110.672	109.507	107.068	104.152	101.626	100.000	98.114
% Ch	1.0%	2.0%	0.6%	-1.1%	-2.2%	-2.7%	-2.4%	-1.6%	-1.9%
Nondurable Goods	88.973	89.605	90.629	92.567	93.835	93.821	96.173	100.000	101.531
% Ch	1.0%	0.7%	1.1%	2.1%	1.4%	0.0%	2.5%	4.0%	1.5%
Services	83.345	85.748	88.320	90.844	93.305	95.319	97.393	100.000	103.257
% Ch	3.3%	2.9%	3.0%	2.9%	2.7%	2.2%	2.2%	2.7%	3.3%
Consumer Price Index (1982-84=1.000)	1.445	1.482	1.524	1.569	1.605	1.630	1.666	1.722	1.770
% Ch	3.0%	2.6%	2.8%	2.9%	2.3%	1.5%	2.2%	3.4%	2.8%
SELECTED INTEREST RATES									
Federal Funds	3.0%	4.2%	5.8%	5.3%	5.5%	5.4%	5.0%	6.2%	3.9%
NY Fed Discount	3.0%	3.6%	5.2%	5.0%	5.0%	4.9%	4.6%	5.7%	3.4%
Prime	6.0%	7.1%	8.8%	8.3%	8.4%	8.4%	8.0%	9.2%	6.9%
Existing Home Mortgage	7.2%	7.5%	7.8%	7.7%	7.7%	7.1%	7.3%	8.0%	7.0%
U.S. Govt. 3-Month Bills	3.0%	4.2%	5.5%	5.0%	5.1%	4.8%	4.6%	5.8%	3.4%
U.S. Govt. 6-Month Bills	3.1%	4.6%	5.6%	5.1%	5.2%	4.8%	4.7%	5.9%	3.4%
U.S. Govt. 5-Year Notes	5.1%	6.7%	6.4%	6.2%	6.2%	5.2%	5.5%	6.2%	4.6%
U.S. Govt. 10-Year Notes	5.9%	7.1%	6.6%	6.4%	6.4%	5.3%	5.6%	6.0%	5.0%
SELECTED US PRODUCTION INDICES									
Wood Products	84.2	89.2	91.3	94.3	97.1	101.5	105.7	104.2	97.5
% Ch	1.1%	5.9%	2.4%	3.3%	3.0%	4.5%	4.2%	-1.5%	-6.4%
Computers & Electronic Products	15.8	18.9	24.9	32.0	43.0	56.2	75.5	101.8	103.5
% Ch	11.6%	20.0%	31.9%	28.3%	34.3%	30.7%	34.3%	34.8%	1.7%
Food	87.6	88.2	90.4	88.6	91.0	95.0	96.0	97.7	97.7
% Ch	2.7%	0.6%	2.6%	-2.1%	2.8%	4.4%	1.0%	1.7%	0.0%
Agricultural Chemicals	114.9	114.8	114.3	116.6	121.0	123.5	111.3	105.1	96.7
% Ch	0.8%	-0.2%	-0.4%	2.0%	3.8%	2.1%	-9.9%	-5.6%	-8.0%
Metal Ore Mining	119.2	121.4	122.6	125.3	132.1	131.5	120.7	120.2	109.2
% Ch	-0.7%	1.9%	1.0%	2.2%	5.5%	-0.4%	-8.3%	-0.4%	-9.2%

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MISCELLANEOUS

	2002	2003	2004	2005	2006	2007	2008	2009	2010
SELECTED CHAIN-WEIGHTED DEFL.									
Gross Domestic Product	104.193	106.410	109.462	113.005	116.568	119.591	121.590	123.894	126.322
% Ch	1.7%	2.1%	2.9%	3.2%	3.2%	2.6%	1.7%	1.9%	2.0%
Consumption Expenditures	103.542	105.597	108.392	111.588	114.675	117.375	119.504	121.595	123.856
% Ch	1.4%	2.0%	2.6%	2.9%	2.8%	2.4%	1.8%	1.7%	1.9%
Durable Goods	95.766	92.366	90.696	90.018	88.857	87.293	86.192	85.510	84.647
% Ch	-2.4%	-3.6%	-1.8%	-0.7%	-1.3%	-1.8%	-1.3%	-0.8%	-1.0%
Nondurable Goods	102.089	104.145	107.626	111.561	114.989	117.967	119.821	121.333	123.393
% Ch	0.5%	2.0%	3.3%	3.7%	3.1%	2.6%	1.6%	1.3%	1.7%
Services	106.018	109.379	112.929	116.726	120.725	124.389	127.500	130.609	133.798
% Ch	2.7%	3.2%	3.2%	3.4%	3.4%	3.0%	2.5%	2.4%	2.4%
Consumer Price Index (1982-84=100)	1.799	1.840	1.889	1.953	2.016	2.070	2.108	2.145	2.186
% Ch	1.6%	2.3%	2.7%	3.4%	3.2%	2.7%	1.8%	1.8%	1.9%
SELECTED INTEREST RATES									
Federal Funds	1.7%	1.1%	1.3%	3.2%	5.0%	5.0%	4.3%	4.6%	4.8%
NY Fed Discount	1.2%	2.1%	2.3%	4.2%	5.9%	5.9%	5.3%	5.6%	5.8%
Prime	4.7%	4.1%	4.3%	6.2%	8.0%	8.1%	7.3%	7.6%	7.8%
Existing Home Mortgage	6.5%	5.7%	5.7%	5.9%	6.6%	6.5%	6.5%	6.8%	7.0%
U.S. Govt. 3-Month Bills	1.6%	1.0%	1.4%	3.1%	4.7%	4.4%	3.8%	4.4%	4.6%
U.S. Govt. 6-Month Bills	1.7%	1.1%	1.6%	3.4%	4.8%	4.5%	3.9%	4.5%	4.7%
U.S. Govt. 5-Year Notes	3.8%	3.0%	3.4%	4.0%	4.7%	4.5%	4.2%	4.8%	5.0%
U.S. Govt. 10-Year Notes	4.6%	4.0%	4.3%	4.3%	4.8%	4.7%	4.6%	5.0%	5.3%
SELECTED US PRODUCTION INDICES									
Wood Products	100.0	100.9	104.5	111.1	107.8	98.6	84.1	86.3	94.1
% Ch	2.5%	0.9%	3.6%	6.3%	-3.0%	-8.5%	-14.7%	2.7%	9.1%
Computers & Electronic Products	100.0	111.5	126.2	141.0	169.4	189.6	213.0	236.9	264.2
% Ch	-3.4%	11.5%	13.1%	11.7%	20.1%	12.0%	12.3%	11.2%	11.5%
Food	100.0	101.0	101.1	104.5	107.7	112.4	114.9	117.4	120.0
% Ch	2.4%	1.0%	0.1%	3.3%	3.1%	4.3%	2.2%	2.2%	2.2%
Agricultural Chemicals	100.0	104.5	109.7	115.6	116.6	108.8	113.4	116.8	120.8
% Ch	3.4%	4.5%	5.0%	5.4%	0.8%	-6.7%	4.2%	3.0%	3.5%
Metal Ore Mining	100.0	94.3	94.0	101.8	103.2	104.2	107.8	112.3	115.7
% Ch	-8.4%	-5.7%	-0.4%	8.3%	1.4%	0.9%	3.5%	4.2%	3.0%

National Variables Forecast by Global Insight
Forecast Begins the THIRD Quarter of 2007

**IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
OCTOBER 2007**

DEMOGRAPHICS

	Q1	2005 Q2	Q3	Q4	Q1	2006 Q2	Q3	Q4	Q1	2007 Q2	Q3	Q4
POPULATION												
Idaho (Thousands)	1,411.2	1,422.5	1,434.2	1,444.0	1,452.7	1,461.7	1,470.0	1,478.5	1,487.2	1,495.6	1,503.7	1,511.4
% Ch	3.0%	3.2%	3.3%	2.8%	2.4%	2.5%	2.3%	2.3%	2.4%	2.3%	2.2%	2.1%
National (Millions)	296.209	296.940	297.740	298.458	299.079	299.801	300.476	301.151	301.824	302.497	303.169	303.840
% Ch	0.9%	1.0%	1.1%	1.0%	0.8%	1.0%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
BIRTHS												
Idaho (Thousands)	22.520	22.939	23.277	23.539	23.789	24.026	24.237	24.456	24.679	24.895	25.094	25.283
% Ch	-5.0%	7.7%	6.0%	4.6%	4.3%	4.0%	3.6%	3.7%	3.7%	3.5%	3.3%	3.0%
National (Thousands)	4,188	4,199	4,210	4,221	4,228	4,239	4,249	4,260	4,272	4,283	4,294	4,305
% Ch	1.1%	1.0%	1.1%	1.0%	0.7%	1.0%	1.0%	1.0%	1.1%	1.0%	1.0%	1.0%
DEATHS												
Idaho (Thousands)	10.060	10.290	10.570	10.730	10.779	10.839	10.896	10.954	11.013	11.071	11.126	11.180
% Ch	13.6%	9.5%	11.3%	6.2%	1.8%	2.3%	2.1%	2.1%	2.2%	2.1%	2.0%	1.9%
National (Thousands)	2,449	2,450	2,454	2,459	2,470	2,476	2,482	2,488	2,493	2,498	2,504	2,510
% Ch	-0.9%	0.2%	0.6%	0.8%	1.8%	1.1%	1.0%	0.9%	0.7%	0.9%	1.0%	1.0%
NET MIGRATION												
Idaho (Thousands)	17.546	22.265	27.152	30.313	28.478	26.023	22.492	21.058	20.806	20.104	19.681	18.797
HOUSING												
HOUSING STARTS												
Idaho	22,881	22,654	24,408	23,276	22,740	21,429	18,292	15,194	16,614	15,718	16,150	16,068
% Ch	33.4%	-3.9%	34.8%	-17.3%	-8.9%	-21.1%	-46.9%	-52.4%	43.0%	-19.9%	11.5%	-2.0%
National (Millions)	2.072	2.051	2.100	2.069	2.127	1.861	1.704	1.555	1.460	1.464	1.310	1.141
% Ch	23.5%	-3.9%	9.8%	-5.8%	11.8%	-41.4%	-29.7%	-30.8%	-22.1%	1.1%	-35.9%	-42.4%
SINGLE UNITS												
Idaho	20,512	20,116	21,555	21,196	20,709	19,340	16,476	13,124	13,683	13,362	14,159	14,000
% Ch	39.6%	-7.5%	31.8%	-6.5%	-8.9%	-23.9%	-47.3%	-59.7%	18.2%	-9.1%	26.1%	-4.4%
National (Millions)	1.705	1.697	1.747	1.725	1.752	1.520	1.393	1.232	1.172	1.166	0.991	0.850
% Ch	25.5%	-1.8%	12.3%	-4.9%	6.2%	-43.3%	-29.5%	-38.9%	-18.0%	-2.1%	-47.7%	-46.0%
MULTIPLE UNITS												
Idaho	2,370	2,538	2,854	2,080	2,030	2,089	1,817	2,070	2,931	2,356	1,991	2,068
% Ch	-8.3%	31.6%	59.8%	-71.8%	-9.3%	12.1%	-42.8%	68.5%	302.1%	-58.3%	-49.0%	16.4%
National (Millions)	0.367	0.354	0.353	0.343	0.376	0.341	0.311	0.323	0.288	0.299	0.319	0.292
% Ch	14.7%	-13.1%	-1.5%	-10.5%	43.3%	-32.1%	-30.8%	16.4%	-36.5%	15.1%	30.1%	-30.2%
HOUSING STOCK												
Idaho (Thousands)	486.1	491.4	497.1	502.5	507.8	512.8	517.0	520.4	524.2	527.7	531.4	535.0
% Ch	4.5%	4.4%	4.7%	4.5%	4.3%	4.0%	3.3%	2.7%	2.9%	2.7%	2.8%	2.8%

National Variables Forecast by Global Insight
Forecast Begins the THIRD Quarter of 2007

**IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
OCTOBER 2007**

DEMOGRAPHICS

	Q1	2008 Q2	Q3	Q4	Q1	2009 Q2	Q3	Q4	Q1	2010 Q2	Q3	Q4
POPULATION												
Idaho (Thousands)	1,519.2	1,525.9	1,532.7	1,539.8	1,546.9	1,554.2	1,561.8	1,569.6	1,577.8	1,586.0	1,594.4	1,603.0
% Ch	2.1%	1.8%	1.8%	1.9%	1.8%	1.9%	2.0%	2.0%	2.1%	2.1%	2.1%	2.2%
National (Millions)	304.511	305.182	305.851	306.520	307.189	307.856	308.523	309.189	309.854	310.519	311.185	311.851
% Ch	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
BIRTHS												
Idaho (Thousands)	25.473	25.618	25.770	25.930	26.090	26.264	26.445	26.635	26.838	27.047	27.261	27.480
% Ch	3.0%	2.3%	2.4%	2.5%	2.5%	2.7%	2.8%	2.9%	3.1%	3.2%	3.2%	3.2%
National (Thousands)	4,316	4,327	4,338	4,349	4,360	4,371	4,382	4,393	4,405	4,416	4,426	4,435
% Ch	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.1%	1.0%	0.9%	0.8%
DEATHS												
Idaho (Thousands)	11.234	11.281	11.329	11.379	11.429	11.480	11.533	11.587	11.643	11.699	11.757	11.815
% Ch	1.9%	1.7%	1.7%	1.8%	1.8%	1.8%	1.8%	1.9%	1.9%	2.0%	2.0%	2.0%
National (Thousands)	2,517	2,523	2,530	2,536	2,542	2,549	2,555	2,561	2,568	2,574	2,580	2,586
% Ch	1.1%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.1%	1.0%	0.9%	0.9%
NET MIGRATION												
Idaho (Thousands)	17.820	15.953	14.639	13.826	12.960	13.551	14.157	14.774	15.702	16.452	17.121	17.669
HOUSING												
HOUSING STARTS												
Idaho	16,389	16,722	16,924	15,845	15,146	18,201	17,545	16,262	15,515	19,011	18,829	17,342
% Ch	8.2%	8.4%	4.9%	-23.2%	-16.5%	108.5%	-13.7%	-26.2%	-17.2%	125.5%	-3.8%	-28.0%
National (Millions)	1,013	1,072	1,151	1,229	1,310	1,380	1,435	1,485	1,522	1,556	1,608	1,657
% Ch	-37.9%	25.4%	32.8%	30.0%	29.2%	23.1%	16.8%	14.8%	10.4%	9.1%	14.1%	12.7%
SINGLE UNITS												
Idaho	14,309	14,641	14,881	13,923	13,330	16,562	16,064	14,821	14,114	17,621	17,428	15,926
% Ch	9.1%	9.6%	6.7%	-23.4%	-16.0%	138.3%	-11.5%	-27.5%	-17.8%	142.9%	-4.3%	-30.3%
National (Millions)	0.728	0.784	0.854	0.917	0.991	1.060	1.117	1.174	1.215	1.252	1.302	1.351
% Ch	-46.0%	34.3%	41.1%	32.4%	36.9%	30.7%	23.4%	21.8%	14.6%	13.1%	16.9%	16.0%
MULTIPLE UNITS												
Idaho	2,080	2,081	2,043	1,922	1,816	1,639	1,481	1,442	1,400	1,390	1,401	1,415
% Ch	2.4%	0.1%	-7.1%	-21.7%	-20.3%	-33.6%	-33.3%	-10.3%	-10.9%	-2.8%	3.2%	4.0%
National (Millions)	0.285	0.288	0.296	0.312	0.319	0.320	0.318	0.311	0.308	0.303	0.306	0.306
% Ch	-9.1%	4.7%	12.1%	23.3%	8.5%	1.7%	-3.1%	-7.4%	-4.6%	-5.6%	3.1%	-0.2%
HOUSING STOCK												
Idaho (Thousands)	538.7	542.4	546.3	549.8	553.2	557.3	561.3	564.9	568.4	572.7	577.0	580.9
% Ch	2.8%	2.8%	2.8%	2.6%	2.5%	3.0%	2.9%	2.6%	2.5%	3.1%	3.0%	2.7%

National Variables Forecast by Global Insight
Forecast Begins the THIRD Quarter of 2007

IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
OCTOBER 2007

OUTPUT, INCOME, & WAGES

	2005				2006				2007			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
U.S. GROSS DOM. PRODUCT (Billions)												
Current Dollars	12,154	12,317	12,559	12,706	12,965	13,155	13,267	13,392	13,552	13,769	13,892	14,002
% Ch	7.1%	5.5%	8.1%	4.8%	8.4%	6.0%	3.4%	3.8%	4.9%	6.6%	3.6%	3.2%
2000 Chain-Weighted	10,878	10,954	11,074	11,107	11,239	11,307	11,337	11,396	11,413	11,520	11,597	11,639
% Ch	3.1%	2.8%	4.5%	1.2%	4.8%	2.4%	1.1%	2.1%	0.6%	3.8%	2.7%	1.5%
PERSONAL INCOME - CURR \$												
Idaho (Millions)	39,352	40,053	40,818	41,433	42,717	43,777	43,993	45,182	46,384	46,818	47,560	48,177
% Ch	-0.3%	7.3%	7.9%	6.2%	13.0%	10.3%	2.0%	11.3%	11.1%	3.8%	6.5%	5.3%
Idaho Nonfarm (Millions)	38,410	39,132	39,974	40,641	42,108	43,163	43,309	44,483	45,384	45,994	46,547	47,137
% Ch	0.2%	7.7%	8.9%	6.8%	15.2%	10.4%	1.4%	11.3%	8.4%	5.5%	4.9%	5.2%
National (Billions)	10,074	10,234	10,329	10,567	10,787	10,916	11,031	11,200	11,469	11,619	11,776	11,914
% Ch	2.0%	6.5%	3.7%	9.6%	8.6%	4.8%	4.3%	6.3%	10.0%	5.3%	5.5%	4.8%
PERSONAL INCOME - 2000 \$												
Idaho (Millions)	35,736	36,072	36,378	36,670	37,643	38,177	38,120	39,240	39,942	39,898	40,389	40,734
% Ch	-2.4%	3.8%	3.4%	3.2%	11.0%	5.8%	-0.6%	12.3%	7.3%	-0.4%	5.0%	3.5%
Idaho Nonfarm (Millions)	34,880	35,242	35,626	35,969	37,106	37,641	37,528	38,633	39,081	39,196	39,529	39,855
% Ch	-2.0%	4.2%	4.4%	3.9%	13.3%	5.9%	-1.2%	12.3%	4.7%	1.2%	3.5%	3.3%
National (Billions)	9,148	9,217	9,205	9,353	9,506	9,519	9,558	9,727	9,876	9,902	10,001	10,073
% Ch	-0.2%	3.0%	-0.5%	6.6%	6.7%	0.6%	1.7%	7.3%	6.3%	1.0%	4.1%	2.9%
PER CAPITA PERS INC - CURR \$												
Idaho	27,885	28,157	28,461	28,694	29,405	29,950	29,927	30,559	31,189	31,303	31,629	31,875
% Ch	-3.2%	4.0%	4.4%	3.3%	10.3%	7.6%	-0.3%	8.7%	8.5%	1.5%	4.2%	3.2%
National	34,010	34,465	34,690	35,407	36,068	36,409	36,711	37,191	38,000	38,411	38,843	39,212
% Ch	1.1%	5.5%	2.6%	8.5%	7.7%	3.8%	3.4%	5.3%	9.0%	4.4%	4.6%	3.8%
PER CAPITA PERS INC - 2000 \$												
Idaho	25,323	25,358	25,365	25,395	25,912	26,118	25,932	26,540	26,857	26,676	26,860	26,951
% Ch	-5.3%	0.6%	0.1%	0.5%	8.4%	3.2%	-2.8%	9.7%	4.9%	-2.7%	2.8%	1.4%
National	30,885	31,039	30,917	31,336	31,783	31,751	31,811	32,300	32,722	32,733	32,987	33,154
% Ch	-1.1%	2.0%	-1.6%	5.5%	5.8%	-0.4%	0.8%	6.3%	5.3%	0.1%	3.1%	2.0%
AVERAGE ANNUAL WAGE												
Idaho	31,506	31,750	32,163	32,335	33,277	33,706	33,348	34,749	34,879	35,507	35,858	36,198
% Ch	0.7%	3.1%	5.3%	2.2%	12.2%	5.3%	-4.2%	17.9%	1.5%	7.4%	4.0%	3.8%
National	41,906	42,093	42,656	42,910	43,914	43,840	44,091	44,928	45,795	46,159	46,607	47,053
% Ch	1.7%	1.8%	5.5%	2.4%	9.7%	-0.7%	2.3%	7.8%	7.9%	3.2%	3.9%	3.9%

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Forecast Begins the THIRD Quarter of 2007

**IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
OCTOBER 2007**

OUTPUT, INCOME, & WAGES

	2008				2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
U.S. GROSS DOM. PRODUCT (Billions)												
Current Dollars	14,106	14,232	14,390	14,556	14,749	14,929	15,108	15,296	15,476	15,654	15,828	16,004
% Ch	3.0%	3.6%	4.5%	4.7%	5.4%	5.0%	4.9%	5.1%	4.8%	4.7%	4.5%	4.5%
2000 Chain-Weighted	11,674	11,729	11,810	11,899	11,992	12,080	12,165	12,255	12,338	12,422	12,502	12,579
% Ch	1.2%	1.9%	2.8%	3.0%	3.2%	3.0%	2.8%	3.0%	2.7%	2.7%	2.6%	2.5%
PERSONAL INCOME - CURR \$												
Idaho (Millions)	48,901	49,504	50,197	50,875	51,601	52,424	53,251	54,083	54,949	55,906	56,828	57,770
% Ch	6.1%	5.0%	5.7%	5.5%	5.8%	6.5%	6.5%	6.4%	6.6%	7.1%	6.8%	6.8%
Idaho Nonfarm (Millions)	47,812	48,455	49,167	49,819	50,483	51,331	52,144	52,952	53,814	54,753	55,654	56,572
% Ch	5.8%	5.5%	6.0%	5.4%	5.4%	6.9%	6.5%	6.3%	6.7%	7.2%	6.7%	6.8%
National (Billions)	12,054	12,184	12,317	12,466	12,627	12,792	12,954	13,126	13,300	13,471	13,632	13,796
% Ch	4.8%	4.4%	4.4%	4.9%	5.2%	5.3%	5.2%	5.4%	5.4%	5.2%	4.9%	4.9%
PERSONAL INCOME - 2000 \$												
Idaho (Millions)	41,175	41,506	41,908	42,323	42,750	43,213	43,676	44,172	44,669	45,241	45,779	46,328
% Ch	4.4%	3.3%	3.9%	4.0%	4.1%	4.4%	4.4%	4.6%	4.6%	5.2%	4.8%	4.9%
Idaho Nonfarm (Millions)	40,258	40,627	41,048	41,445	41,823	42,312	42,768	43,248	43,746	44,308	44,833	45,367
% Ch	4.1%	3.7%	4.2%	3.9%	3.7%	4.8%	4.4%	4.6%	4.7%	5.2%	4.8%	4.8%
National (Billions)	10,149	10,215	10,283	10,371	10,461	10,544	10,625	10,721	10,812	10,901	10,981	11,064
% Ch	3.0%	2.6%	2.7%	3.5%	3.5%	3.2%	3.1%	3.7%	3.5%	3.3%	3.0%	3.0%
PER CAPITA PERS INC - CURR \$												
Idaho	32,188	32,442	32,750	33,040	33,359	33,730	34,096	34,456	34,828	35,249	35,641	36,039
% Ch	4.0%	3.2%	3.8%	3.6%	3.9%	4.5%	4.4%	4.3%	4.4%	4.9%	4.5%	4.5%
National	39,584	39,923	40,271	40,671	41,104	41,550	41,988	42,453	42,925	43,382	43,806	44,241
% Ch	3.9%	3.5%	3.5%	4.0%	4.3%	4.4%	4.3%	4.5%	4.5%	4.3%	4.0%	4.0%
PER CAPITA PERS INC - 2000 \$												
Idaho	27,102	27,201	27,341	27,486	27,637	27,803	27,965	28,141	28,312	28,525	28,711	28,901
% Ch	2.3%	1.5%	2.1%	2.1%	2.2%	2.4%	2.3%	2.5%	2.4%	3.0%	2.6%	2.7%
National	33,330	33,473	33,621	33,835	34,053	34,250	34,438	34,673	34,894	35,106	35,288	35,478
% Ch	2.1%	1.7%	1.8%	2.6%	2.6%	2.3%	2.2%	2.8%	2.6%	2.5%	2.1%	2.2%
AVERAGE ANNUAL WAGE												
Idaho	36,548	36,893	37,316	37,632	37,975	38,341	38,710	39,056	39,488	39,874	40,291	40,719
% Ch	3.9%	3.8%	4.7%	3.4%	3.7%	3.9%	3.9%	3.6%	4.5%	4.0%	4.3%	4.3%
National	47,491	47,874	48,271	48,683	49,123	49,523	49,961	50,421	50,914	51,350	51,798	52,251
% Ch	3.8%	3.3%	3.4%	3.5%	3.7%	3.3%	3.6%	3.7%	4.0%	3.5%	3.5%	3.5%

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Forecast Begins the THIRD Quarter of 2007**

**IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
OCTOBER 2007**

PERSONAL INCOME -- CURR \$\$

	2005				2006				2007			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
WAGE AND SALARY PAYMENTS												
Idaho (Millions)	19,783	20,034	20,532	20,842	21,778	22,271	22,204	23,211	23,522	23,838	24,209	24,488
% Ch	7.2%	5.2%	10.3%	6.2%	19.2%	9.4%	-1.2%	19.4%	5.5%	5.5%	6.4%	4.7%
National (Billions)	5,559	5,614	5,720	5,778	5,946	5,958	6,016	6,153	6,294	6,364	6,435	6,507
% Ch	3.0%	4.0%	7.8%	4.1%	12.1%	0.9%	3.9%	9.4%	9.5%	4.5%	4.6%	4.6%
FARM PROPRIETORS INCOME												
Idaho (Millions)	478	460	382	328	116	116	184	199	495	314	475	499
% Ch	-52.6%	-14.2%	-52.4%	-45.6%	-98.4%	0.0%	533.1%	36.8%	3728.3%	-83.8%	423.5%	22.2%
National (Billions)	30	34	31	28	21	15	18	24	29	33	36	37
% Ch	-53.8%	62.8%	-31.8%	-30.6%	-70.4%	-75.7%	136.2%	204.0%	119.8%	67.4%	43.3%	13.1%
NONFARM PROPRIETORS INCOME												
Idaho (Millions)	4,073	4,156	4,274	4,263	4,444	4,513	4,446	4,423	4,526	4,552	4,583	4,633
% Ch	9.8%	8.4%	11.8%	-1.0%	18.1%	6.4%	-5.8%	-2.1%	9.6%	2.3%	2.7%	4.5%
National (Billions)	919	937	936	964	979	999	986	986	998	1,005	1,013	1,023
% Ch	4.8%	8.3%	-0.4%	12.6%	6.3%	8.2%	-5.3%	0.1%	5.2%	2.8%	3.3%	4.0%
DIVIDENDS, RENT & INTEREST												
Idaho (Millions)	6,883	7,094	7,275	7,524	7,642	7,908	8,035	8,073	8,271	8,477	8,676	8,829
% Ch	-29.2%	12.8%	10.6%	14.4%	6.4%	14.7%	6.6%	1.9%	10.2%	10.3%	9.7%	7.2%
National (Billions)	1,615	1,665	1,594	1,769	1,785	1,851	1,881	1,888	1,936	1,992	2,036	2,064
% Ch	-11.6%	12.8%	-15.9%	51.6%	3.6%	15.7%	6.6%	1.4%	10.7%	12.1%	9.1%	5.6%
OTHER LABOR INCOME												
Idaho (Millions)	4,838	4,920	5,024	5,123	5,281	5,465	5,420	5,638	5,677	5,743	5,817	5,868
% Ch	10.9%	7.0%	8.7%	8.1%	12.9%	14.7%	-3.3%	17.1%	2.8%	4.7%	5.2%	3.6%
National (Billions)	909	922	936	945	955	966	975	987	999	1,011	1,023	1,034
% Ch	9.2%	5.7%	6.2%	3.9%	4.6%	4.4%	4.2%	4.7%	5.2%	4.8%	4.8%	4.4%
GOVT. TRANSFERS TO INDIV.												
Idaho (Millions)	5,941	6,066	6,071	6,137	6,405	6,533	6,681	6,772	7,091	7,115	7,050	7,145
% Ch	15.8%	8.7%	0.3%	4.4%	18.6%	8.2%	9.4%	5.6%	20.2%	1.4%	-3.6%	5.5%
National (Billions)	1,481	1,505	1,561	1,536	1,573	1,599	1,631	1,648	1,711	1,717	1,740	1,761
% Ch	12.7%	6.8%	15.6%	-6.1%	9.8%	6.9%	8.1%	4.3%	16.2%	1.5%	5.5%	4.9%
CONTRIB. FOR SOCIAL INSUR.												
Idaho (Millions)	3,286	3,330	3,412	3,460	3,641	3,720	3,707	3,862	3,936	3,978	4,027	4,067
% Ch	13.0%	5.5%	10.2%	5.7%	22.6%	9.0%	-1.4%	17.8%	7.9%	4.3%	5.0%	4.0%
National (Billions)	422	426	433	436	448	448	451	460	471	475	480	484
% Ch	6.0%	3.1%	6.6%	3.0%	11.6%	0.1%	2.9%	8.2%	10.0%	3.5%	3.6%	3.8%
RESIDENCE ADJUSTMENT												
Idaho (Millions)	643	652	671	677	692	690	730	728	738	756	778	781
% Ch	10.6%	5.7%	12.2%	3.6%	9.2%	-1.2%	25.3%	-1.1%	5.6%	10.1%	12.0%	1.6%

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**IDAHO ECONOMIC FORECAST
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PERSONAL INCOME -- CURR \$\$

	2008				2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
WAGE AND SALARY PAYMENTS												
Idaho (Millions)	24,824	25,161	25,574	25,890	26,228	26,662	27,090	27,487	27,965	28,463	28,966	29,464
% Ch	5.6%	5.5%	6.7%	5.0%	5.3%	6.8%	6.6%	6.0%	7.1%	7.3%	7.3%	7.1%
National (Billions)	6,576	6,642	6,714	6,791	6,876	6,956	7,038	7,125	7,217	7,302	7,386	7,470
% Ch	4.3%	4.0%	4.4%	4.7%	5.1%	4.7%	4.8%	5.0%	5.3%	4.8%	4.7%	4.6%
FARM PROPRIETORS INCOME												
Idaho (Millions)	550	508	487	510	571	544	555	578	580	596	615	637
% Ch	46.7%	-26.9%	-15.6%	20.7%	56.4%	-17.6%	8.7%	16.8%	2.0%	10.8%	13.7%	15.3%
National (Billions)	31	28	26	27	26	24	24	25	25	25	26	26
% Ch	-53.9%	-31.1%	-21.8%	11.3%	-19.8%	-23.0%	0.8%	8.7%	10.2%	3.4%	6.5%	8.5%
NONFARM PROPRIETORS INCOME												
Idaho (Millions)	4,694	4,768	4,840	4,922	5,016	5,102	5,170	5,243	5,318	5,403	5,476	5,553
% Ch	5.3%	6.5%	6.2%	7.0%	7.9%	7.0%	5.4%	5.7%	5.9%	6.5%	5.5%	5.8%
National (Billions)	1,036	1,052	1,067	1,084	1,104	1,122	1,137	1,152	1,168	1,186	1,201	1,217
% Ch	4.9%	6.2%	5.8%	6.7%	7.6%	6.8%	5.1%	5.5%	5.6%	6.3%	5.2%	5.5%
DIVIDENDS, RENT & INTEREST												
Idaho (Millions)	8,956	9,070	9,189	9,332	9,488	9,684	9,893	10,103	10,301	10,500	10,693	10,894
% Ch	5.9%	5.2%	5.3%	6.4%	6.8%	8.5%	8.9%	8.7%	8.1%	8.0%	7.6%	7.8%
National (Billions)	2,091	2,114	2,136	2,163	2,193	2,232	2,273	2,314	2,352	2,389	2,424	2,459
% Ch	5.3%	4.6%	4.2%	5.2%	5.6%	7.4%	7.6%	7.4%	6.7%	6.5%	5.9%	5.9%
OTHER LABOR INCOME												
Idaho (Millions)	5,920	5,969	6,023	6,061	6,105	6,192	6,264	6,329	6,415	6,521	6,622	6,725
% Ch	3.5%	3.4%	3.7%	2.5%	2.9%	5.8%	4.7%	4.3%	5.6%	6.8%	6.3%	6.4%
National (Billions)	1,042	1,049	1,055	1,063	1,072	1,084	1,094	1,105	1,117	1,130	1,142	1,155
% Ch	3.1%	2.8%	2.3%	3.0%	3.5%	4.5%	3.7%	4.0%	4.4%	4.8%	4.3%	4.5%
GOVT. TRANSFERS TO INDIV.												
Idaho (Millions)	7,316	7,422	7,526	7,626	7,763	7,863	7,956	8,056	8,202	8,305	8,404	8,514
% Ch	9.9%	5.9%	5.7%	5.4%	7.4%	5.3%	4.8%	5.1%	7.5%	5.1%	4.8%	5.4%
National (Billions)	1,799	1,824	1,847	1,869	1,901	1,922	1,942	1,963	1,995	2,016	2,036	2,058
% Ch	9.0%	5.5%	5.2%	4.9%	6.8%	4.7%	4.2%	4.4%	6.6%	4.3%	4.0%	4.5%
CONTRIB. FOR SOCIAL INSUR.												
Idaho (Millions)	4,144	4,186	4,241	4,271	4,376	4,434	4,493	4,532	4,659	4,718	4,792	4,870
% Ch	7.8%	4.1%	5.3%	2.9%	10.2%	5.4%	5.5%	3.5%	11.7%	5.1%	6.4%	6.7%
National (Billions)	492	495	499	502	514	518	523	526	538	542	547	553
% Ch	6.5%	2.6%	3.1%	2.5%	9.9%	3.4%	3.7%	2.6%	9.7%	2.6%	3.9%	4.3%
RESIDENCE ADJUSTMENT												
Idaho (Millions)	786	791	799	803	805	811	816	820	828	835	844	851
% Ch	2.6%	2.6%	4.0%	2.2%	1.1%	2.8%	2.7%	2.1%	3.5%	3.9%	3.9%	3.8%

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EMPLOYMENT

	2005				2006				2007			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
TOTAL NONFARM EMPLOYMENT												
Idaho	603,442	607,125	614,922	621,362	630,739	637,392	642,176	645,290	651,570	648,520	651,033	652,471
% Ch	5.1%	2.5%	5.2%	4.3%	6.2%	4.3%	3.0%	2.0%	3.9%	-1.9%	1.6%	0.9%
National (Thousands)	132,656	133,371	134,107	134,652	135,393	135,913	136,442	136,951	137,447	137,864	138,072	138,294
% Ch	1.3%	2.2%	2.2%	1.6%	2.2%	1.5%	1.6%	1.5%	1.5%	1.2%	0.6%	0.6%
GOODS PRODUCING SECTOR												
Idaho	109,885	110,900	112,896	115,722	119,997	122,406	123,109	123,733	124,648	122,814	120,962	119,045
% Ch	8.2%	3.7%	7.4%	10.4%	15.6%	8.3%	2.3%	2.0%	3.0%	-5.8%	-5.9%	-6.2%
National (Thousands)	22,027	22,153	22,218	22,370	22,534	22,604	22,625	22,539	22,505	22,447	22,376	22,272
% Ch	0.3%	2.3%	1.2%	2.8%	3.0%	1.2%	0.4%	-1.5%	-0.6%	-1.0%	-1.3%	-1.8%
MANUFACTURING												
Idaho	64,723	64,757	65,034	65,647	66,952	67,705	68,214	68,521	68,465	68,303	68,008	67,313
% Ch	2.8%	0.2%	1.7%	3.8%	8.2%	4.6%	3.0%	1.8%	-0.3%	-0.9%	-1.7%	-4.0%
National (Thousands)	14,337	14,305	14,267	14,266	14,280	14,293	14,283	14,211	14,176	14,128	14,085	14,091
% Ch	-1.1%	-0.9%	-1.1%	0.0%	0.4%	0.4%	-0.3%	-2.0%	-1.0%	-1.4%	-1.2%	0.2%
DURABLE MANUFACTURING												
Idaho	41,535	41,891	42,268	42,749	43,804	44,426	44,852	45,359	45,000	44,614	44,348	43,670
% Ch	5.8%	3.5%	3.6%	4.6%	10.2%	5.8%	3.9%	4.6%	-3.1%	-3.4%	-2.4%	-6.0%
National (Thousands)	9,024	9,020	9,008	9,031	9,055	9,090	9,085	9,044	9,006	8,975	8,940	8,941
% Ch	-0.2%	-0.2%	-0.5%	1.0%	1.1%	1.5%	-0.2%	-1.8%	-1.7%	-1.4%	-1.5%	0.0%
LOGGING & WOOD PRODUCTS												
Idaho	9,450	9,546	9,652	9,828	10,053	10,195	10,032	9,860	9,676	9,569	9,555	9,368
% Ch	5.8%	4.1%	4.5%	7.5%	9.5%	5.8%	-6.2%	-6.7%	-7.3%	-4.4%	-0.6%	-7.6%
National (Thousands)	625	620	624	630	637	634	625	608	599	592	588	586
% Ch	0.4%	-2.8%	2.3%	4.3%	4.5%	-2.1%	-5.7%	-10.3%	-5.5%	-4.8%	-2.6%	-1.7%
METAL FABRICATION												
Idaho	3,768	3,819	3,939	4,096	4,226	4,274	4,383	4,626	4,627	4,635	4,705	4,732
% Ch	16.1%	5.5%	13.1%	16.9%	13.3%	4.6%	10.6%	24.1%	0.2%	0.6%	6.2%	2.3%
National (Thousands)	1,514	1,520	1,524	1,530	1,541	1,551	1,563	1,564	1,565	1,567	1,572	1,580
% Ch	1.0%	1.7%	1.0%	1.6%	2.8%	2.6%	3.2%	0.2%	0.4%	0.4%	1.3%	1.9%
MACHINERY												
Idaho	2,598	2,572	2,606	2,649	2,788	2,845	2,877	2,950	2,902	2,951	2,943	2,940
% Ch	2.7%	-3.9%	5.3%	6.8%	22.7%	8.4%	4.5%	10.6%	-6.4%	6.9%	-1.0%	-0.4%
National (Thousands)	1,154	1,161	1,165	1,172	1,173	1,184	1,201	1,210	1,216	1,221	1,222	1,224
% Ch	1.5%	2.6%	1.3%	2.2%	0.5%	3.9%	5.7%	3.0%	2.0%	1.8%	0.5%	0.6%
COMPUTER & ELECTRONICS												
Idaho	16,326	16,330	16,109	15,964	16,393	16,498	16,747	17,020	16,994	16,874	16,435	15,961
% Ch	-0.2%	0.1%	-5.3%	-3.5%	11.2%	2.6%	6.2%	6.7%	-0.6%	-2.8%	-10.0%	-11.1%
National (Thousands)	1,318	1,317	1,316	1,314	1,309	1,318	1,319	1,319	1,317	1,309	1,307	1,304
% Ch	-0.3%	-0.5%	-0.1%	-0.8%	-1.5%	3.0%	0.2%	0.0%	-0.7%	-2.5%	-0.3%	-1.0%
OTHER DURABLES												
Idaho	9,394	9,624	9,963	10,213	10,344	10,615	10,814	10,903	10,800	10,586	10,709	10,669
% Ch	14.3%	10.2%	14.8%	10.4%	5.2%	10.9%	7.7%	3.3%	-3.7%	-7.7%	4.7%	-1.5%
National (Thousands)	4,413	4,401	4,379	4,386	4,396	4,403	4,378	4,344	4,309	4,286	4,250	4,248
% Ch	-1.1%	-1.1%	-2.0%	0.6%	0.9%	0.7%	-2.3%	-3.1%	-3.2%	-2.1%	-3.3%	-0.2%

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EMPLOYMENT

	2008				2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
TOTAL NONFARM EMPLOYMENT												
Idaho	655,170	658,078	661,577	664,310	666,915	671,796	676,411	680,549	684,936	690,787	696,067	700,924
% Ch	1.7%	1.8%	2.1%	1.7%	1.6%	3.0%	2.8%	2.5%	2.6%	3.5%	3.1%	2.8%
National (Thousands)	138,469	138,733	139,094	139,502	139,977	140,457	140,874	141,309	141,757	142,198	142,588	142,959
% Ch	0.5%	0.8%	1.0%	1.2%	1.4%	1.4%	1.2%	1.2%	1.3%	1.3%	1.1%	1.0%
GOODS PRODUCING SECTOR												
Idaho	117,990	117,086	116,749	115,800	114,965	115,993	116,800	116,868	116,544	117,885	118,988	119,271
% Ch	-3.5%	-3.0%	-1.1%	-3.2%	-2.9%	3.6%	2.8%	0.2%	-1.1%	4.7%	3.8%	1.0%
National (Thousands)	22,035	21,877	21,757	21,700	21,677	21,636	21,641	21,664	21,703	21,756	21,830	21,902
% Ch	-4.2%	-2.8%	-2.2%	-1.0%	-0.4%	-0.8%	0.1%	0.4%	0.7%	1.0%	1.4%	1.3%
MANUFACTURING												
Idaho	66,950	66,206	65,782	65,265	65,138	65,432	65,878	66,272	66,629	67,056	67,507	68,031
% Ch	-2.1%	-4.4%	-2.5%	-3.1%	-0.8%	1.8%	2.8%	2.4%	2.2%	2.6%	2.7%	3.1%
National (Thousands)	13,993	13,926	13,831	13,766	13,728	13,721	13,722	13,727	13,732	13,742	13,771	13,802
% Ch	-2.8%	-1.9%	-2.7%	-1.9%	-1.1%	-0.2%	0.0%	0.1%	0.1%	0.3%	0.9%	0.9%
DURABLE MANUFACTURING												
Idaho	43,289	42,487	42,004	41,417	41,201	41,415	41,779	42,125	42,460	42,873	43,296	43,772
% Ch	-3.4%	-7.2%	-4.5%	-5.5%	-2.1%	2.1%	3.6%	3.4%	3.2%	3.9%	4.0%	4.5%
National (Thousands)	8,857	8,802	8,741	8,692	8,663	8,663	8,679	8,704	8,723	8,739	8,771	8,801
% Ch	-3.7%	-2.5%	-2.7%	-2.2%	-1.3%	0.0%	0.8%	1.1%	0.9%	0.8%	1.5%	1.4%
LOGGING & WOOD PRODUCTS												
Idaho	9,193	8,604	8,469	8,218	8,151	8,246	8,433	8,578	8,710	8,979	9,213	9,438
% Ch	-7.3%	-23.3%	-6.1%	-11.3%	-3.3%	4.8%	9.3%	7.1%	6.3%	12.9%	10.9%	10.1%
National (Thousands)	559	527	505	495	495	500	506	513	523	534	546	558
% Ch	-17.0%	-20.9%	-16.1%	-7.3%	-0.3%	4.0%	5.4%	5.6%	8.0%	8.6%	9.1%	9.0%
METAL FABRICATION												
Idaho	4,719	4,709	4,703	4,706	4,718	4,739	4,766	4,796	4,824	4,851	4,880	4,910
% Ch	-1.1%	-0.9%	-0.5%	0.2%	1.1%	1.8%	2.3%	2.5%	2.3%	2.3%	2.4%	2.5%
National (Thousands)	1,591	1,599	1,598	1,593	1,584	1,579	1,578	1,581	1,583	1,587	1,592	1,598
% Ch	2.9%	2.0%	-0.2%	-1.3%	-2.2%	-1.2%	-0.3%	0.8%	0.5%	0.9%	1.4%	1.5%
MACHINERY												
Idaho	2,944	2,918	2,876	2,842	2,819	2,806	2,800	2,798	2,798	2,801	2,805	2,810
% Ch	0.5%	-3.5%	-5.6%	-4.7%	-3.3%	-1.8%	-0.9%	-0.3%	0.1%	0.4%	0.6%	0.8%
National (Thousands)	1,211	1,199	1,200	1,201	1,199	1,200	1,201	1,199	1,195	1,195	1,200	1,206
% Ch	-4.4%	-3.6%	0.3%	0.3%	-0.6%	0.0%	0.5%	-0.8%	-1.2%	0.0%	1.5%	2.1%
COMPUTER & ELECTRONICS												
Idaho	15,845	15,738	15,405	15,035	14,774	14,723	14,707	14,727	14,779	14,787	14,821	14,884
% Ch	-2.9%	-2.7%	-8.2%	-9.3%	-6.8%	-1.4%	-0.4%	0.6%	1.4%	0.2%	0.9%	1.7%
National (Thousands)	1,293	1,300	1,281	1,254	1,241	1,233	1,228	1,230	1,230	1,226	1,219	1,203
% Ch	-3.2%	2.1%	-5.9%	-8.0%	-4.2%	-2.5%	-1.4%	0.6%	0.0%	-1.4%	-2.2%	-5.0%
OTHER DURABLES												
Idaho	10,588	10,518	10,551	10,617	10,739	10,901	11,074	11,227	11,349	11,456	11,577	11,730
% Ch	-3.0%	-2.6%	1.2%	2.5%	4.7%	6.2%	6.5%	5.6%	4.4%	3.8%	4.3%	5.4%
National (Thousands)	4,203	4,176	4,158	4,148	4,144	4,151	4,165	4,180	4,191	4,197	4,214	4,236
% Ch	-4.1%	-2.6%	-1.7%	-0.9%	-0.4%	0.7%	1.4%	1.4%	1.0%	0.6%	1.6%	2.1%

National Variables Forecast by Global Insight
Forecast Begins the THIRD Quarter of 2007

IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
OCTOBER 2007
EMPLOYMENT

MANUFACTURING (continued)

	2005				2006				2007			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
NONDURABLE MANUFACTURING												
Idaho	23,189	22,865	22,767	22,897	23,148	23,279	23,362	23,161	23,465	23,689	23,661	23,643
% Ch	-2.3%	-5.5%	-1.7%	2.3%	4.4%	2.3%	1.4%	-3.4%	5.3%	3.9%	-0.5%	-0.3%
National (Thousands)	5,313	5,286	5,259	5,235	5,225	5,203	5,197	5,167	5,170	5,153	5,144	5,150
% Ch	-2.7%	-2.1%	-2.0%	-1.8%	-0.8%	-1.6%	-0.5%	-2.3%	0.3%	-1.3%	-0.7%	0.4%
FOOD PROCESSING												
Idaho	14,953	14,700	14,586	14,617	14,686	14,773	14,799	14,541	14,791	15,017	15,036	15,079
% Ch	-2.8%	-6.6%	-3.1%	0.9%	1.9%	2.4%	0.7%	-6.8%	7.1%	6.3%	0.5%	1.2%
National (Thousands)	1,483	1,479	1,477	1,475	1,479	1,483	1,489	1,488	1,494	1,499	1,505	1,510
% Ch	-1.0%	-1.3%	-0.5%	-0.6%	1.2%	1.2%	1.4%	-0.1%	1.5%	1.3%	1.7%	1.3%
PRINTING												
Idaho	1,911	1,893	1,896	1,899	1,876	1,910	1,918	1,926	1,931	1,897	1,881	1,857
% Ch	-1.9%	-3.7%	0.7%	0.6%	-4.6%	7.3%	1.8%	1.7%	1.1%	-6.9%	-3.4%	-4.9%
National (Thousands)	652	649	644	641	638	636	633	636	634	630	628	630
% Ch	-2.6%	-1.9%	-2.7%	-1.8%	-1.7%	-1.7%	-1.4%	1.4%	-0.9%	-2.6%	-1.3%	1.5%
CHEMICALS												
Idaho	1,938	1,920	1,945	1,947	2,087	2,101	2,133	2,143	2,206	2,239	2,172	2,115
% Ch	6.7%	-3.5%	5.3%	0.4%	32.1%	2.6%	6.3%	1.9%	12.2%	6.0%	-11.4%	-10.0%
National (Thousands)	877	875	870	867	866	866	871	871	872	872	876	878
% Ch	-2.5%	-0.7%	-2.5%	-1.4%	-0.2%	-0.3%	2.6%	0.1%	0.2%	0.1%	1.8%	0.8%
OTHER NONDURABLES												
Idaho	4,387	4,352	4,340	4,435	4,498	4,496	4,512	4,551	4,537	4,536	4,572	4,591
% Ch	-4.6%	-3.1%	-1.1%	9.0%	5.8%	-0.2%	1.4%	3.5%	-1.2%	-0.1%	3.2%	1.7%
National (Thousands)	2,301	2,283	2,269	2,253	2,241	2,219	2,204	2,171	2,170	2,153	2,136	2,132
% Ch	-3.8%	-3.1%	-2.5%	-2.8%	-2.0%	-4.0%	-2.6%	-5.8%	-0.2%	-3.2%	-3.1%	-0.8%
MINING												
Idaho	2,033	2,123	2,222	2,267	2,344	2,389	2,353	2,416	2,610	2,505	2,465	2,383
% Ch	5.3%	18.8%	20.1%	8.3%	14.3%	7.8%	-5.9%	11.2%	36.1%	-15.1%	-6.3%	-12.6%
National (Thousands)	544	557	565	582	596	614	627	637	645	654	664	671
% Ch	9.6%	10.3%	5.9%	12.0%	10.3%	12.8%	8.6%	6.6%	5.3%	5.7%	6.3%	4.2%
CONSTRUCTION												
Idaho	43,129	44,020	45,639	47,808	50,702	52,312	52,543	52,796	53,574	52,006	50,489	49,348
% Ch	17.1%	8.5%	15.5%	20.4%	26.5%	13.3%	1.8%	1.9%	6.0%	-11.2%	-11.2%	-8.7%
National (Thousands)	7,146	7,290	7,385	7,522	7,658	7,696	7,716	7,691	7,684	7,665	7,627	7,510
% Ch	2.4%	8.3%	5.3%	7.6%	7.4%	2.0%	1.0%	-1.3%	-0.4%	-1.0%	-2.0%	-6.0%
NONGOODS PRODUCING												
Idaho	493,556	496,225	502,026	505,641	510,742	514,986	519,066	521,557	526,922	525,707	530,071	533,426
% Ch	4.4%	2.2%	4.8%	2.9%	4.1%	3.4%	3.2%	1.9%	4.2%	-0.9%	3.4%	2.6%
National (Thousands)	110,630	111,218	111,889	112,282	112,859	113,310	113,817	114,412	114,942	115,417	115,696	116,022
% Ch	1.5%	2.1%	2.4%	1.4%	2.1%	1.6%	1.8%	2.1%	1.9%	1.7%	1.0%	1.1%
SERVICES												
Idaho	276,827	278,717	282,335	285,104	288,276	291,547	294,600	296,478	299,751	298,363	301,202	303,382
% Ch	6.0%	2.8%	5.3%	4.0%	4.5%	4.6%	4.3%	2.6%	4.5%	-1.8%	3.9%	2.9%
National (Thousands)	68,004	68,425	68,916	69,276	69,772	70,168	70,579	71,052	71,440	71,807	72,086	72,304
% Ch	1.8%	2.5%	2.9%	2.1%	2.9%	2.3%	2.4%	2.7%	2.2%	2.1%	1.6%	1.2%
INFORMATION												
Idaho	10,891	11,037	11,023	11,330	10,475	10,605	10,638	10,640	10,862	10,813	10,799	10,795
% Ch	19.6%	5.5%	-0.5%	11.6%	-26.9%	5.0%	1.3%	0.1%	8.6%	-1.8%	-0.5%	-0.2%
National (Thousands)	3,066	3,064	3,059	3,053	3,056	3,051	3,049	3,061	3,080	3,095	3,083	3,070
% Ch	-2.7%	-0.2%	-0.6%	-0.9%	0.4%	-0.7%	-0.3%	1.7%	2.5%	2.0%	-1.5%	-1.7%
FINANCIAL ACTIVITIES												
Idaho	28,862	29,208	29,937	30,603	31,180	31,708	31,924	32,166	32,324	32,423	32,656	32,887
% Ch	5.0%	4.9%	10.4%	9.2%	7.7%	6.9%	2.8%	3.1%	2.0%	1.2%	2.9%	2.9%
National (Thousands)	8,095	8,109	8,169	8,238	8,294	8,347	8,385	8,425	8,444	8,457	8,486	8,438
% Ch	1.5%	0.7%	3.0%	3.5%	2.7%	2.5%	1.8%	1.9%	0.9%	0.6%	1.4%	-2.2%

National Variables Forecast by Global Insight
Forecast Begins the THIRD Quarter of 2007

**IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
OCTOBER 2007**

EMPLOYMENT

MANUFACTURING (continued)

	2008				2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
NONDURABLE MANUFACTURING												
Idaho	23,661	23,719	23,779	23,848	23,937	24,017	24,100	24,147	24,169	24,182	24,211	24,259
% Ch	0.3%	1.0%	1.0%	1.2%	1.5%	1.4%	1.4%	0.8%	0.4%	0.2%	0.5%	0.8%
National (Thousands)	5,135	5,124	5,090	5,074	5,065	5,058	5,043	5,024	5,009	5,003	5,000	5,000
% Ch	-1.1%	-0.9%	-2.6%	-1.3%	-0.7%	-0.5%	-1.2%	-1.5%	-1.2%	-0.5%	-0.2%	0.0%
FOOD PROCESSING												
Idaho	15,121	15,177	15,220	15,277	15,344	15,406	15,469	15,501	15,509	15,508	15,517	15,548
% Ch	1.1%	1.5%	1.1%	1.5%	1.8%	1.6%	1.6%	0.8%	0.2%	0.0%	0.2%	0.8%
National (Thousands)	1,515	1,523	1,526	1,534	1,542	1,549	1,552	1,552	1,554	1,558	1,563	1,570
% Ch	1.4%	2.2%	0.7%	2.3%	2.0%	1.8%	0.7%	0.2%	0.4%	1.1%	1.4%	1.6%
PRINTING												
Idaho	1,836	1,829	1,823	1,821	1,822	1,818	1,812	1,803	1,792	1,782	1,774	1,767
% Ch	-4.5%	-1.5%	-1.3%	-0.4%	0.2%	-0.8%	-1.3%	-2.0%	-2.3%	-2.3%	-1.8%	-1.6%
National (Thousands)	630	627	621	617	615	613	610	606	603	601	599	598
% Ch	-0.3%	-1.6%	-4.2%	-2.2%	-1.4%	-1.2%	-2.1%	-2.5%	-2.2%	-1.4%	-1.0%	-0.8%
CHEMICALS												
Idaho	2,099	2,092	2,095	2,088	2,080	2,071	2,062	2,054	2,045	2,038	2,032	2,025
% Ch	-3.0%	-1.3%	0.6%	-1.4%	-1.5%	-1.6%	-1.7%	-1.7%	-1.6%	-1.4%	-1.2%	-1.2%
National (Thousands)	877	875	868	864	861	858	855	852	851	850	850	851
% Ch	-0.3%	-0.7%	-3.1%	-1.9%	-1.6%	-1.2%	-1.4%	-1.3%	-0.6%	-0.3%	0.0%	0.1%
OTHER NONDURABLES												
Idaho	4,605	4,621	4,640	4,662	4,690	4,721	4,756	4,790	4,822	4,855	4,889	4,919
% Ch	1.2%	1.4%	1.7%	1.9%	2.4%	2.7%	3.0%	2.9%	2.7%	2.8%	2.8%	2.5%
National (Thousands)	2,114	2,098	2,076	2,058	2,047	2,038	2,027	2,013	2,001	1,993	1,987	1,982
% Ch	-3.4%	-2.8%	-4.3%	-3.3%	-2.1%	-1.8%	-2.2%	-2.7%	-2.3%	-1.6%	-1.2%	-1.0%
MINING												
Idaho	2,270	2,220	2,196	2,188	2,184	2,184	2,183	2,180	2,169	2,161	2,150	2,135
% Ch	-17.7%	-8.5%	-4.3%	-1.3%	-0.8%	0.0%	-0.1%	-0.6%	-2.0%	-1.5%	-2.0%	-2.7%
National (Thousands)	671	666	662	657	655	655	654	653	651	646	640	633
% Ch	-0.2%	-3.2%	-1.9%	-3.1%	-1.6%	0.0%	-0.7%	-0.5%	-1.3%	-2.6%	-3.9%	-4.5%
CONSTRUCTION												
Idaho	48,771	48,660	48,772	48,347	47,643	48,377	48,738	48,415	47,746	48,669	49,331	49,104
% Ch	-4.6%	-0.9%	0.9%	-3.4%	-5.7%	6.3%	3.0%	-2.6%	-5.4%	8.0%	5.6%	-1.8%
National (Thousands)	7,371	7,285	7,263	7,277	7,294	7,260	7,265	7,284	7,321	7,368	7,419	7,468
% Ch	-7.2%	-4.6%	-1.2%	0.8%	0.9%	-1.8%	0.3%	1.1%	2.0%	2.6%	2.8%	2.7%
NONGOODS PRODUCING												
Idaho	537,180	540,992	544,828	548,510	551,950	555,803	559,612	563,681	568,392	572,902	577,079	581,653
% Ch	2.8%	2.9%	2.9%	2.7%	2.5%	2.8%	2.8%	2.9%	3.4%	3.2%	2.9%	3.2%
National (Thousands)	116,435	116,856	117,337	117,802	118,300	118,821	119,233	119,645	120,053	120,442	120,758	121,057
% Ch	1.4%	1.5%	1.7%	1.6%	1.7%	1.8%	1.4%	1.4%	1.4%	1.3%	1.1%	1.0%
SERVICES												
Idaho	306,035	308,683	311,289	313,733	316,056	318,694	321,255	323,847	326,491	329,454	332,380	335,360
% Ch	3.5%	3.5%	3.4%	3.2%	3.0%	3.4%	3.3%	3.3%	3.3%	3.7%	3.6%	3.6%
National (Thousands)	72,600	72,932	73,306	73,669	74,077	74,474	74,792	75,113	75,379	75,718	76,078	76,364
% Ch	1.7%	1.8%	2.1%	2.0%	2.2%	2.2%	1.7%	1.7%	1.4%	1.8%	1.9%	1.5%
INFORMATION												
Idaho	10,839	10,906	10,979	11,055	11,132	11,210	11,290	11,371	11,453	11,537	11,623	11,713
% Ch	1.7%	2.5%	2.7%	2.8%	2.8%	2.9%	2.9%	2.9%	2.9%	3.0%	3.0%	3.1%
National (Thousands)	3,069	3,081	3,091	3,085	3,069	3,065	3,063	3,061	3,062	3,065	3,066	3,065
% Ch	-0.1%	1.5%	1.4%	-0.8%	-2.1%	-0.4%	-0.4%	-0.2%	0.1%	0.4%	0.2%	-0.1%
FINANCIAL ACTIVITIES												
Idaho	33,124	33,369	33,618	33,843	34,051	34,328	34,590	34,823	35,039	35,333	35,623	35,880
% Ch	2.9%	3.0%	3.0%	2.7%	2.5%	3.3%	3.1%	2.7%	2.5%	3.4%	3.3%	2.9%
National (Thousands)	8,412	8,414	8,448	8,468	8,499	8,535	8,580	8,629	8,669	8,703	8,748	8,796
% Ch	-1.2%	0.1%	1.6%	0.9%	1.5%	1.7%	2.1%	2.3%	1.9%	1.6%	2.0%	2.2%

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Forecast Begins the THIRD Quarter of 2007

**IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
OCTOBER 2007**

EMPLOYMENT

SERVICES (Continued)												
	2005				2006				2007			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
TRANS., WAREHOUSING, UTILITIES												
Idaho	18,961	19,113	19,475	19,626	19,971	20,199	20,282	20,515	20,854	20,819	20,761	20,806
% Ch	0.6%	3.2%	7.8%	3.1%	7.2%	4.6%	1.7%	4.7%	6.8%	-0.7%	-1.1%	0.9%
National (Thousands)	4,879	4,908	4,928	4,948	4,976	5,000	5,024	5,055	5,070	5,073	5,083	5,112
% Ch	2.9%	2.4%	1.7%	1.6%	2.3%	1.9%	1.9%	2.5%	1.2%	0.2%	0.8%	2.3%
PROFESSIONAL & BUSINESS												
Idaho	75,733	76,367	77,487	78,065	80,585	81,359	81,664	81,846	81,907	80,929	81,630	82,186
% Ch	6.3%	3.4%	6.0%	3.0%	13.6%	3.9%	1.5%	0.9%	0.3%	-4.7%	3.5%	2.8%
National (Thousands)	16,697	16,839	17,033	17,217	17,378	17,499	17,615	17,727	17,826	17,879	17,915	18,018
% Ch	2.7%	3.4%	4.7%	4.4%	3.8%	2.8%	2.7%	2.6%	2.3%	1.2%	0.8%	2.3%
EDUCATION & HEALTH												
Idaho	67,423	67,789	68,211	68,521	68,545	69,338	71,234	71,306	72,472	73,131	73,733	74,318
% Ch	6.9%	2.2%	2.5%	1.8%	0.1%	4.7%	11.4%	0.4%	6.7%	3.7%	3.3%	3.2%
National (Thousands)	17,188	17,306	17,452	17,540	17,665	17,771	17,889	18,019	18,143	18,301	18,462	18,532
% Ch	1.9%	2.8%	3.4%	2.0%	2.9%	2.4%	2.7%	2.9%	2.8%	3.5%	3.6%	1.5%
LEISURE & HOSPITALITY												
Idaho	56,614	56,806	57,692	58,313	58,745	59,373	59,687	60,861	62,082	61,014	62,135	62,725
% Ch	6.3%	1.4%	6.4%	4.4%	3.0%	4.3%	2.1%	8.1%	8.3%	-6.7%	7.6%	3.9%
National (Thousands)	12,691	12,806	12,873	12,887	12,984	13,072	13,184	13,318	13,423	13,524	13,567	13,616
% Ch	2.7%	3.7%	2.1%	0.4%	3.0%	2.7%	3.5%	4.1%	3.2%	3.0%	1.3%	1.5%
OTHER SERVICES												
Idaho	18,343	18,397	18,510	18,647	18,776	18,965	19,170	19,144	19,251	19,233	19,488	19,665
% Ch	0.7%	1.2%	2.5%	3.0%	2.8%	4.1%	4.4%	-0.5%	2.2%	-0.4%	5.4%	3.7%
National (Thousands)	5,388	5,393	5,403	5,394	5,418	5,429	5,433	5,447	5,453	5,477	5,490	5,517
% Ch	-0.7%	0.3%	0.8%	-0.7%	1.8%	0.8%	0.3%	1.0%	0.4%	1.7%	1.0%	1.9%
TRADE												
Idaho	101,878	102,829	104,579	105,411	105,931	106,926	107,952	109,053	111,268	110,781	112,195	113,049
% Ch	6.5%	3.8%	7.0%	3.2%	2.0%	3.8%	3.9%	4.1%	8.4%	-1.7%	5.2%	3.1%
National (Thousands)	20,887	21,012	21,123	21,150	21,213	21,199	21,208	21,253	21,332	21,377	21,431	21,444
% Ch	1.2%	2.4%	2.1%	0.5%	1.2%	-0.3%	0.2%	0.9%	1.5%	0.8%	1.0%	0.2%
RETAIL TRADE												
Idaho	75,517	76,224	77,436	78,004	79,212	80,001	80,992	81,832	83,505	83,054	84,157	84,792
% Ch	5.6%	3.8%	6.5%	3.0%	6.3%	4.0%	5.0%	4.2%	8.4%	-2.1%	5.4%	3.1%
National (Thousands)	15,174	15,265	15,345	15,339	15,359	15,312	15,298	15,316	15,375	15,385	15,406	15,392
% Ch	1.3%	2.4%	2.1%	-0.1%	0.5%	-1.2%	-0.4%	0.5%	1.5%	0.3%	0.6%	-0.4%
WHOLESALE TRADE												
Idaho	26,361	26,605	27,142	27,407	26,719	26,925	26,961	27,221	27,763	27,727	28,038	28,257
% Ch	9.4%	3.8%	8.3%	4.0%	-9.7%	3.1%	0.5%	3.9%	8.2%	-0.5%	4.6%	3.2%
National (Thousands)	5,713	5,747	5,779	5,811	5,854	5,888	5,910	5,936	5,957	5,992	6,025	6,052
% Ch	1.0%	2.4%	2.2%	2.2%	3.0%	2.3%	1.5%	1.8%	1.4%	2.4%	2.2%	1.8%
STATE & LOCAL GOVERNMENT												
Idaho	101,657	101,506	102,219	102,075	103,536	103,718	103,676	103,165	102,961	103,653	103,754	104,055
% Ch	-1.0%	-0.6%	2.8%	-0.6%	5.8%	0.7%	-0.2%	-2.0%	-0.8%	2.7%	0.4%	1.2%
National (Thousands)	19,011	19,049	19,117	19,119	19,144	19,212	19,297	19,388	19,453	19,521	19,467	19,558
% Ch	0.9%	0.8%	1.4%	0.0%	0.5%	1.4%	1.8%	1.9%	1.4%	1.4%	-1.1%	1.9%
EDUCATION												
Idaho	51,284	51,161	51,569	51,187	52,078	52,328	53,495	52,679	52,594	53,088	53,144	53,317
% Ch	0.8%	-1.0%	3.2%	-2.9%	7.1%	1.9%	9.2%	-6.0%	-0.6%	3.8%	0.4%	1.3%
NONEDUCATION												
Idaho	50,373	50,345	50,650	50,888	51,458	51,390	50,181	50,486	50,367	50,565	50,610	50,738
% Ch	-2.7%	-0.2%	2.4%	1.9%	4.6%	-0.5%	-9.1%	2.5%	-0.9%	1.6%	0.4%	1.0%
FEDERAL GOVERNMENT												
Idaho	13,195	13,172	12,893	13,051	12,999	12,795	12,838	12,861	12,941	12,910	12,920	12,940
% Ch	-1.1%	-0.7%	-8.2%	5.0%	-1.6%	-6.1%	1.4%	0.7%	2.5%	-0.9%	0.3%	0.6%
National (Thousands)	2,728	2,732	2,732	2,737	2,729	2,731	2,733	2,719	2,717	2,712	2,712	2,716
% Ch	-0.1%	0.6%	0.0%	0.7%	-1.2%	0.3%	0.2%	-2.0%	-0.2%	-0.7%	0.0%	0.6%

National Variables Forecast by Global Insight
Forecast Begins the THIRD Quarter of 2007

**IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
OCTOBER 2007**

EMPLOYMENT

SERVICES (Continued)	2008				2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
TRANS., WAREHOUSING, UTILITIES												
Idaho	20,804	20,807	20,813	20,807	20,796	20,788	20,789	20,803	20,834	20,883	20,944	21,016
% Ch	0.0%	0.1%	0.1%	-0.1%	-0.2%	-0.2%	0.0%	0.3%	0.6%	0.9%	1.2%	1.4%
National (Thousands)	5,138	5,142	5,165	5,186	5,217	5,259	5,301	5,334	5,358	5,390	5,429	5,464
% Ch	2.0%	0.4%	1.8%	1.6%	2.4%	3.3%	3.2%	2.5%	1.8%	2.4%	2.9%	2.6%
PROFESSIONAL & BUSINESS												
Idaho	83,213	84,230	85,225	86,123	86,979	87,943	88,858	89,774	90,702	91,724	92,700	93,703
% Ch	5.1%	5.0%	4.8%	4.3%	4.0%	4.5%	4.2%	4.2%	4.2%	4.6%	4.3%	4.4%
National (Thousands)	18,054	18,121	18,289	18,481	18,705	18,915	19,102	19,276	19,405	19,580	19,753	19,869
% Ch	0.8%	1.5%	3.8%	4.3%	4.9%	4.6%	4.0%	3.7%	2.7%	3.7%	3.6%	2.4%
EDUCATION & HEALTH												
Idaho	74,923	75,500	76,067	76,598	77,102	77,744	78,365	79,023	79,699	80,471	81,209	81,966
% Ch	3.3%	3.1%	3.0%	2.8%	2.7%	3.4%	3.2%	3.4%	3.5%	3.9%	3.7%	3.8%
National (Thousands)	18,617	18,749	18,877	18,962	19,048	19,141	19,204	19,251	19,290	19,337	19,386	19,417
% Ch	1.9%	2.9%	2.7%	1.8%	1.8%	2.0%	1.3%	1.0%	0.8%	1.0%	1.0%	0.6%
LEISURE & HOSPITALITY												
Idaho	63,302	63,843	64,363	64,885	65,383	65,865	66,341	66,816	67,297	67,802	68,331	68,881
% Ch	3.7%	3.5%	3.3%	3.3%	3.1%	3.0%	2.9%	2.9%	2.9%	3.0%	3.2%	3.3%
National (Thousands)	13,756	13,858	13,871	13,949	14,025	14,054	14,046	14,078	14,121	14,170	14,219	14,273
% Ch	4.2%	3.0%	0.4%	2.2%	2.2%	0.8%	-0.2%	0.9%	1.2%	1.4%	1.4%	1.5%
OTHER SERVICES												
Idaho	19,831	20,027	20,224	20,421	20,613	20,814	21,020	21,237	21,466	21,704	21,950	22,201
% Ch	3.4%	4.0%	4.0%	4.0%	3.8%	4.0%	4.0%	4.2%	4.4%	4.5%	4.6%	4.7%
National (Thousands)	5,555	5,567	5,563	5,538	5,515	5,504	5,497	5,486	5,475	5,473	5,477	5,480
% Ch	2.8%	0.9%	-0.3%	-1.8%	-1.7%	-0.8%	-0.5%	-0.8%	-0.8%	-0.1%	0.3%	0.2%
TRADE												
Idaho	113,816	114,799	115,764	116,725	117,648	118,638	119,669	120,783	122,000	123,285	124,629	126,018
% Ch	2.7%	3.5%	3.4%	3.4%	3.2%	3.4%	3.5%	3.8%	4.1%	4.3%	4.4%	4.5%
National (Thousands)	21,510	21,554	21,628	21,693	21,755	21,848	21,902	21,939	21,928	21,958	21,975	21,982
% Ch	1.2%	0.8%	1.4%	1.2%	1.1%	1.7%	1.0%	0.7%	-0.2%	0.6%	0.3%	0.1%
RETAIL TRADE												
Idaho	85,361	86,111	86,869	87,626	88,352	89,129	89,939	90,812	91,763	92,767	93,816	94,899
% Ch	2.7%	3.6%	3.6%	3.5%	3.4%	3.6%	3.7%	3.9%	4.3%	4.4%	4.6%	4.7%
National (Thousands)	15,468	15,517	15,571	15,636	15,694	15,769	15,794	15,810	15,795	15,807	15,796	15,780
% Ch	2.0%	1.3%	1.4%	1.7%	1.5%	1.9%	0.6%	0.4%	-0.4%	0.3%	-0.3%	-0.4%
WHOLESALE TRADE												
Idaho	28,455	28,688	28,894	29,100	29,296	29,508	29,730	29,971	30,236	30,518	30,813	31,119
% Ch	2.8%	3.3%	2.9%	2.9%	2.7%	2.9%	3.0%	3.3%	3.6%	3.8%	3.9%	4.0%
National (Thousands)	6,042	6,038	6,056	6,057	6,060	6,078	6,108	6,128	6,133	6,151	6,179	6,202
% Ch	-0.7%	-0.3%	1.2%	0.0%	0.2%	1.2%	2.0%	1.3%	0.3%	1.2%	1.8%	1.5%
STATE & LOCAL GOVERNMENT												
Idaho	104,381	104,540	104,782	105,031	105,200	105,408	105,600	105,834	106,100	106,403	106,726	107,073
% Ch	1.3%	0.6%	0.9%	1.0%	0.6%	0.8%	0.7%	0.9%	1.0%	1.1%	1.2%	1.3%
National (Thousands)	19,605	19,648	19,681	19,716	19,744	19,779	19,821	19,856	19,893	19,931	19,969	20,011
% Ch	1.0%	0.9%	0.7%	0.7%	0.6%	0.7%	0.9%	0.7%	0.7%	0.8%	0.8%	0.8%
EDUCATION												
Idaho	53,548	53,676	53,809	54,036	54,208	54,380	54,555	54,759	54,982	55,221	55,468	55,725
% Ch	1.7%	1.0%	1.0%	1.7%	1.3%	1.3%	1.3%	1.5%	1.6%	1.8%	1.8%	1.9%
NONEDUCATION												
Idaho	50,832	50,864	50,973	50,995	50,992	51,027	51,045	51,075	51,118	51,181	51,258	51,348
% Ch	0.7%	0.3%	0.9%	0.2%	0.0%	0.3%	0.1%	0.2%	0.3%	0.5%	0.6%	0.7%
FEDERAL GOVERNMENT												
Idaho	12,949	12,971	12,994	13,021	13,046	13,064	13,088	13,218	13,801	13,760	13,345	13,202
% Ch	0.3%	0.7%	0.7%	0.8%	0.8%	0.6%	0.8%	4.0%	18.9%	-1.2%	-11.5%	-4.2%
National (Thousands)	2,719	2,721	2,723	2,724	2,724	2,721	2,718	2,737	2,854	2,834	2,737	2,700
% Ch	0.4%	0.4%	0.2%	0.2%	0.0%	-0.5%	-0.4%	2.7%	18.3%	-2.7%	-13.1%	-5.3%

National Variables Forecast by Global Insight
Forecast Begins the THIRD Quarter of 2007

**IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
OCTOBER 2007**

MISCELLANEOUS

	Q1	2005 Q2	Q3	Q4	Q1	2006 Q2	Q3	Q4	Q1	2007 Q2	Q3	Q4
SELECTED CHAIN-WEIGHTED DEFL.												
Gross Domestic Product	111.745	112.455	113.422	114.398	115.363	116.350	117.030	117.527	118.750	119.527	119.790	120.298
% Ch	3.9%	2.6%	3.5%	3.5%	3.4%	3.5%	2.4%	1.7%	4.2%	2.6%	0.9%	1.7%
Consumption Expenditures	110.119	111.037	112.205	112.989	113.480	114.670	115.406	115.143	116.129	117.345	117.754	118.272
% Ch	2.2%	3.4%	4.3%	2.8%	1.7%	4.3%	2.6%	-0.9%	3.5%	4.3%	1.4%	1.8%
Durable Goods	90.470	90.375	89.735	89.491	89.276	89.110	88.827	88.213	87.798	87.488	87.124	86.762
% Ch	0.1%	-0.4%	-2.8%	-1.1%	-1.0%	-0.7%	-1.3%	-2.7%	-1.9%	-1.4%	-1.7%	-1.7%
Nondurable Goods	109.234	110.570	113.113	113.328	113.405	115.763	116.576	114.210	115.620	118.413	118.729	119.107
% Ch	0.3%	5.0%	9.5%	0.8%	0.3%	8.6%	2.8%	-7.9%	5.0%	10.0%	1.1%	1.3%
Services	115.204	116.165	117.100	118.434	119.316	120.252	121.209	122.122	123.252	124.055	124.715	125.535
% Ch	3.6%	3.4%	3.3%	4.6%	3.0%	3.2%	3.2%	3.0%	3.8%	2.6%	2.1%	2.7%
Consumer Price Index	1.921	1.940	1.966	1.983	1.992	2.017	2.032	2.022	2.041	2.071	2.080	2.088
% Ch	2.1%	3.9%	5.6%	3.4%	1.9%	5.0%	3.1%	-2.1%	3.8%	6.0%	1.8%	1.6%
SELECTED INTEREST RATES												
Federal Funds	2.5%	2.9%	3.5%	4.0%	4.5%	4.9%	5.2%	5.2%	5.3%	5.3%	5.1%	4.5%
NY Fed Discount	3.4%	3.9%	4.4%	5.0%	5.4%	5.9%	6.3%	6.3%	6.3%	6.3%	5.9%	5.3%
Prime	5.4%	5.9%	6.4%	7.0%	7.4%	7.9%	8.3%	8.3%	8.3%	8.3%	8.2%	7.5%
Existing Home Mortgage	5.8%	5.8%	5.8%	6.2%	6.4%	6.6%	6.8%	6.5%	6.4%	6.5%	6.7%	6.5%
U.S. Govt. 3-Month Bills	2.5%	2.9%	3.4%	3.8%	4.4%	4.7%	4.9%	4.9%	5.0%	4.7%	4.3%	3.6%
U.S. Govt. 6-Month Bills	2.8%	3.1%	3.6%	4.1%	4.5%	4.8%	5.0%	4.9%	4.9%	4.8%	4.4%	3.8%
U.S. Govt. 5-Year Notes	3.9%	3.9%	4.0%	4.4%	4.5%	5.0%	4.8%	4.6%	4.6%	4.8%	4.5%	4.2%
U.S. Govt. 10-Year Notes	4.3%	4.2%	4.2%	4.5%	4.6%	5.1%	4.9%	4.6%	4.7%	4.8%	4.7%	4.5%
SELECTED US PRODUCTION INDICES												
Wood Products	108.5	108.9	110.5	116.5	113.8	110.6	107.1	99.5	98.2	100.0	99.9	96.2
% Ch	12.1%	1.7%	5.8%	23.5%	-8.9%	-10.8%	-11.8%	-25.5%	-5.4%	7.8%	-0.5%	-14.0%
Computers & Electronic Products	131.9	137.0	142.6	152.4	156.5	166.3	174.3	180.3	181.7	185.4	192.6	198.8
% Ch	9.8%	16.4%	17.6%	30.5%	11.2%	27.4%	20.6%	14.6%	3.1%	8.4%	16.4%	13.5%
Food	103.6	104.2	104.5	105.7	106.6	107.0	107.5	109.7	110.8	112.3	112.9	113.5
% Ch	7.6%	2.2%	1.4%	4.5%	3.6%	1.3%	2.0%	8.5%	4.1%	5.3%	2.1%	2.1%
Agricultural Chemicals	115.7	115.5	118.4	113.0	115.6	120.0	121.1	109.9	108.1	105.9	110.0	111.0
% Ch	11.5%	-0.8%	10.2%	-17.0%	9.5%	16.1%	3.7%	-32.0%	-6.5%	-7.8%	16.5%	3.7%
Metal Ore Mining	100.6	103.2	103.1	100.1	102.7	103.7	101.4	105.0	101.3	105.8	104.2	105.3
% Ch	10.3%	11.0%	-0.4%	-11.4%	11.1%	3.7%	-8.5%	14.8%	-13.2%	19.0%	-6.1%	4.6%

**National Variables Forecast by Global Insight
Forecast Begins the THIRD Quarter of 2007**

**IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
OCTOBER 2007**

MISCELLANEOUS

	Q1	2008 Q2	Q3	Q4	Q1	2009 Q2	Q3	Q4	Q1	2010 Q2	Q3	Q4
SELECTED CHAIN-WEIGHTED DEFL.												
Gross Domestic Product	120.834	121.348	121.842	122.336	122.984	123.581	124.192	124.818	125.435	126.021	126.606	127.226
% Ch	1.8%	1.7%	1.6%	1.6%	2.1%	2.0%	2.0%	2.0%	2.0%	1.9%	1.9%	2.0%
Consumption Expenditures	118.764	119.268	119.780	120.205	120.705	121.315	121.924	122.438	123.014	123.573	124.137	124.698
% Ch	1.7%	1.7%	1.7%	1.4%	1.7%	2.0%	2.0%	1.7%	1.9%	1.8%	1.8%	1.8%
Durable Goods	86.493	86.260	86.092	85.923	85.765	85.606	85.437	85.234	85.014	84.776	84.527	84.270
% Ch	-1.2%	-1.1%	-0.8%	-0.8%	-0.7%	-0.7%	-0.8%	-0.9%	-1.0%	-1.1%	-1.2%	-1.2%
Nondurable Goods	119.346	119.672	120.049	120.216	120.510	121.096	121.692	122.035	122.613	123.154	123.662	124.142
% Ch	0.8%	1.1%	1.3%	0.6%	1.0%	2.0%	2.0%	1.1%	1.9%	1.8%	1.7%	1.6%
Services	126.353	127.141	127.898	128.609	129.385	130.208	131.026	131.816	132.601	133.382	134.192	135.016
% Ch	2.6%	2.5%	2.4%	2.2%	2.4%	2.6%	2.5%	2.4%	2.4%	2.4%	2.4%	2.5%
Consumer Price Index	2.096	2.104	2.112	2.119	2.128	2.140	2.151	2.160	2.171	2.181	2.191	2.201
% Ch	1.5%	1.6%	1.6%	1.3%	1.7%	2.3%	2.2%	1.7%	2.0%	1.9%	1.9%	1.8%

SELECTED INTEREST RATES

Federal Funds	4.3%	4.3%	4.3%	4.3%	4.3%	4.5%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%
NY Fed Discount	5.3%	5.3%	5.3%	5.3%	5.3%	5.5%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%
Prime	7.3%	7.3%	7.3%	7.3%	7.3%	7.5%	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%
Existing Home Mortgage	6.5%	6.4%	6.4%	6.5%	6.6%	6.8%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
U.S. Govt. 3-Month Bills	3.6%	3.7%	3.8%	4.0%	4.1%	4.4%	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%
U.S. Govt. 6-Month Bills	3.8%	3.9%	3.9%	4.1%	4.2%	4.4%	4.6%	4.7%	4.7%	4.7%	4.7%	4.7%
U.S. Govt. 5-Year Notes	4.2%	4.2%	4.2%	4.4%	4.5%	4.7%	4.9%	5.0%	5.0%	5.0%	5.0%	5.0%
U.S. Govt. 10-Year Notes	4.5%	4.5%	4.6%	4.7%	4.8%	5.0%	5.2%	5.2%	5.2%	5.3%	5.3%	5.3%

SELECTED US PRODUCTION INDICES

Wood Products	88.2	83.4	82.3	82.4	83.8	85.8	87.2	88.5	91.1	93.1	95.1	97.3
% Ch	-29.5%	-20.0%	-5.0%	0.5%	7.0%	9.5%	6.7%	6.5%	12.3%	8.7%	8.8%	9.9%
Computers & Electronic Products	204.2	210.3	215.9	221.5	227.5	233.5	239.8	246.8	253.9	260.8	267.7	274.2
% Ch	11.4%	12.5%	11.1%	10.8%	11.3%	11.0%	11.3%	12.2%	12.1%	11.4%	10.9%	10.1%
Food	114.0	114.6	115.2	115.8	116.4	117.0	117.7	118.3	119.0	119.7	120.3	120.9
% Ch	2.0%	2.0%	2.0%	2.1%	2.2%	2.2%	2.2%	2.3%	2.3%	2.2%	2.1%	2.1%
Agricultural Chemicals	112.0	112.9	113.8	114.7	115.5	116.2	117.2	118.2	119.3	120.3	121.3	122.3
% Ch	3.5%	3.4%	3.0%	3.2%	2.8%	2.6%	3.3%	3.5%	3.7%	3.6%	3.4%	3.2%
Metal Ore Mining	106.3	107.2	108.2	109.4	110.6	111.8	113.0	113.9	114.8	115.5	116.1	116.5
% Ch	3.6%	3.5%	3.6%	4.5%	4.4%	4.6%	4.1%	3.3%	3.2%	2.7%	1.9%	1.5%

APPENDIX

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THE GLOBAL INSIGHT U.S. MACROECONOMIC MODEL

Global Insight's Macroeconomic Model is a multiple-equation model of the U.S. economy. Consisting of over 1,200 equations, the model is solved iteratively to generate the results of different policy and forecast scenarios. The model incorporates the best insights of many theoretical schools of thought to depict the economic decision processes and interactions of households, businesses, and governments.

The Global Insight model is divided into the following eight major sectors:

- I Private Domestic Spending**
- II Production and Income**
- III Taxes**
- IV International Transactions**
- V Financial**
- VI Inflation**
- VII Supply**
- VIII Expectations**

- I. **Private Domestic Spending.** Major aggregate demand components include consumption, investment, and government. Consumer purchases are divided among three categories: durable goods, nondurable goods, and services. In nearly all cases, real expenditures are influenced by real income and the relative price of consumer goods. Durable and semidurable goods are also sensitive to household net worth, current finance costs, and consumer sentiment.

Global Insight divides investment into two general categories: fixed investment and inventories. The former is driven by utilization rates, capital stock, relative prices, financial market conditions, financial balance sheet conditions, and government policies. Inventory investment is heavily influenced by such factors as past and present sales levels, vendor performance, and utilization rates.

The government sector is divided into federal government and state and local government. Most of the federal expenditure side is exogenous. Federal receipts are endogenous and divided into personal taxes, corporate taxes, indirect business taxes, and contributions for social insurance. State and local sector receipts depend primarily on federal grants and various tax rates and bases. State and local government spending is driven by legal requirements (i.e., balanced budgets), the level of federal grants (due to the matching requirements of many programs), population growth, and trend increases in personal income.

- II. **Production and Income.** The industrial production sector includes 74 standard industrial classifications. Production is a function of various cyclical and trend variables and a generated output term, i.e., the input-output (I-O) relationship between the producing industry and both intermediate industries and final demand. The cyclical and trend variables correct for changes in I-O coefficients that are implied by the changing relationship between buyers and sellers.

Pre-tax income categories include private and government wages, corporate profits, interest rate, and entrepreneurial returns. Each of these categories, except corporate profits, is determined by some combination of wages, prices, interest rates, debt levels, capacity utilization rate, and unemployment rate. Corporate profits are calculated as the residual of total national income less the nonprofit components of income mentioned above.

- III. **Taxes.** The model tracks personal, corporate, payroll, and excise taxes separately. Tax revenues are simultaneously forecast as the product of the rate and the associated pre-tax income components. The model automatically adjusts the effective average personal tax rate for variations in inflation and income per household, and the effective average corporate rate for credits earned on equipment, utility structures, and R&D. State taxes are fully endogenous, except for corporate profits and social insurance tax rates.
- IV. **International.** The international sector can either add or divert strength from the central flow of domestic income and spending. Imports' ability to capture varying shares of domestic demand depends on the prices of foreign output, the U.S. exchange rate, and competing domestic prices. Exports' portion of domestic spending depends on similar variables and the level of world gross domestic product. The exchange rate itself responds to international differences in inflation, interest rates, trade deficits, and capital flows between the U.S. and its competitors. Investment income flows are also explicitly modeled.
- V. **Financial.** The Global Insight model includes a highly detailed financial sector. Several short- and long-term interest rates are covered in this model, and they are the key output of this sector. The short-term rates depend upon the balance between the demand and supply of reserves in the banking system. The supply of reserves is the primary exogenous monetary policy lever within the model, reflecting the Federal Reserve's open market purchases or sales of Treasury securities. Longer-term interest rates are driven by shorter-term rates as well as factors affecting the slope of the yield curve. These factors include inflation expectations, government borrowing requirements, and corporate finance needs.
- VI. **Inflation.** Inflation is modeled as a controlled, interactive process involving wages, prices, and market conditions. The principal domestic cost influences are labor compensation, nonfarm productivity, and foreign input costs that later are driven by the exchange rate, the price of oil, and foreign wholesale price inflation. This set of cost influences drives each of the industry-specific producer price indexes, in combination with a demand pressure indicator and appropriately weighted composites of the other producer price indexes.
- VII. **Supply.** In this model, aggregate supply (or potential GNP), is estimated by a Cobb-Douglas production function that combines factor input growth and improvements to total factor productivity. Factor input equals a weighted average of labor, business fixed capital, and energy. Factor supplies are defined by estimates of the full employment labor force, the full employment capital stock net of pollution abatement equipment, the domestic production of petroleum and natural gas, and the stock of infrastructure. Total factor productivity depends upon the stock of research and development capital and trend technological change.
- VIII. **Expectations.** Expectations impact several expenditure categories in the model, but the principal nuance relates to the entire spectrum of interest rates. Shifts in price expectations or the expected government capital needs influences are captured directly in this model through price expectations and budget deficit terms. The former impacts all interest rates and the latter impacts intermediate- and long-term rates. On the expenditure side, inflationary expectations impact consumption via consumer sentiment, while growth expectations affect business investment.

THE IDAHO ECONOMIC MODEL

The Idaho Economic Model (IEM) is an income and employment based model of Idaho's economy. The Model consists of a simultaneous system of linear regression equations, which are estimated using quarterly data. The primary exogenous variables are obtained from the Global Insight U.S. Macroeconomic Model. Endogenous variables are forecast at the statewide level of aggregation.

The focal point of the IEM is Idaho personal income, which is given by the identity:

**personal income = wage and salary payments + other labor
income + farm proprietors' income + nonfarm proprietors'
income + property income + transfer payments - contributions
for social insurance + residence adjustment.**

With the exception of farm proprietors' income and wage and salary payments, each of the components of personal income is estimated stochastically by a single equation. Farm proprietors' income and wage and salary payments each comprise submodels containing a system of stochastic equations and identities.

The farm proprietor sector is estimated using a highly-aggregated submodel consisting of equations for crop marketing receipts, livestock marketing receipts, production expenses, inventory changes, imputed rent income, corporate farm income, and government payments to farmers. Farm proprietors' income includes inventory changes and imputed rent, but this component is netted out of the tax base.

At the heart of the IEM is the wage and salary sector, which includes stochastic employment equations for 23 North American Industry Classification System employment categories. Conceptually, the employment equations are divided into basic and domestic activities. The basic employment equations are specified primarily as functions of national demand and supply variables. Domestic employment equations are specified primarily as functions of state-specific demand variables. Average annual wages are estimated for several broad employment categories and are combined with employment to arrive at aggregate wage and salary payments.

The demographic component of the model is used to forecast components of population change and housing starts. Resident population, births, and deaths are modeled stochastically. Net migration is calculated residually from the estimates for those variables. Housing starts are divided into single and multiple units. Each equation is functionally related to economic and population variables.

The output of the IEM (i.e., the forecast values of the endogenous variables) is determined by the parameters of the equations and the values of exogenous variables over the forecast period. The values of equation parameters are determined by the historic values of both the exogenous and endogenous variables. IEM equation parameters are estimated using the technique of ordinary least squares. Model equations are occasionally respecified in response to the dynamic nature of the Idaho and national economies. Parameter values for a particular equation (given the same specification) may change as a result of revisions in the historic data or a change in the time interval of the estimation. In general, parameter values should remain relatively constant over time, with changes reflecting changing structural relationships.

While the equation parameters are determined by structural relationships and remain relatively fixed, the forecast period exogenous variable values are more volatile determinants of the forecast values of

endogenous variables. They are more often subject to change as expectations regarding future economic behavior change, and they are more likely to give rise to debate over appropriate values. As mentioned above, the forecast period values of exogenous variables are primarily obtained from Global Insight's U.S. macroeconomic model.

Since the output of the IEM depends in large part upon the output of the Global Insight model, an understanding of the Global Insight model, its input assumptions, and its output is useful in evaluating the results of the IEM's forecast. The assumptions and output of the Global Insight model are discussed in the National Forecast section.

IDAHO ECONOMIC MODEL

$$EEA_ID = EEA_ID_GOODS + EEA_ID_NONGOODS$$

$$EEA_ID_2100 = 3624.798 + 34.818*ID0IP2122_2123 - 3356.247*(JULCNF/WPI10) - 17.417*TREND$$

$$EEA_ID_2300 = 15375.250 + 444.302*ID0HSPRS1_A + 380.831*ID0HSPRS1_A(-1) + 317.359*ID0HSPRS1_A(-2) \\ + 253.887*ID0HSPRS1_A(-3) + 190.415*ID0HSPRS1_A(-4) + 126.944*ID0HSPRS1_A(-5) \\ + 63.472*ID0HSPRS1_A(-6)$$

$$EEA_ID_3110 = 20829.470 + 216.705*MOVAV(IPSG311,4) - 327.152*MOVAV(IPSG311/EMN311,4) - \\ 38.274*TREND$$

$$EEA_ID_3230 = 2042.338 + 18.257*MOVAV(IPSG323,4) - 13.019* MOVAV((IPSG323/EMN323),8)$$

$$EEA_ID_3250 = 2681.935 + 13.316*MOVAV(IPSG3253(-1),4) - 1997.815*DUM951ON$$

$$EEA_ID_3320 = -1793.753 + 54.303*MOVAV(IPSG332,2)$$

$$EEA_ID_3330 = 1757.592 + 18.527*MOVAV(IPSG3332,4) - 6.201*TREND$$

$$EEA_ID_3340 = 12579.570 + 164.578*MOVAV(IPSG3341,4) + 11.278*DUM911011* MOVAV(IPSG3341,4) \\ - 190.248*MOVAV((IPSG3341/EMD334),8)$$

$$EEA_ID_4200 = 6463.830 + 0.307*EEA_ID_44_45 - 26.410*TREND$$

$$EEA_ID_44_45 = 34804.46 + 271.182*MOVAV((YPADJ_ID/JPC),4) - 370.441*TREND$$

$$EEA_ID_48_49_22 = -6037.813 + 0.828*MOVAV(EEA_ID_4200,2) + 2984.025*MOVAV(ID0NPT(-1),8)$$

$$EEA_ID_5100 = -5984.097 + 49.188*MOVAV(IPSG51111,4) + 78.967*TREND + 400.588*DUM061ON$$

$$EEA_ID_52_53 = -8740.715 - 5585.218*DUM981ON + 2033.346*(DUM9801004*MOVAV(SP500/SP500(-2),2) \\ + 89.986*ID0KHU$$

$$EEA_ID_54_55_56 = -35767.310 + 145.140*YPADJ_ID/JPC + 208.759*MOVAV(RADR,8)$$

$$EEA_ID_61_62 = -38779.329 + 44555.830*MOVAV(ID0NPT,4) + 117.043*YPADJ_ID/JPC$$

$$EEA_ID_71_72 = -42109.460 + 120613.243*MOVAV(ID0NPT,8) - 447.875*TREND$$

$$EEA_ID_8100 = 3304.257 + 45.029*MOVAV((YPADJ_ID/JPC),4) + 1250.768*DUM931964 - \\ 1230.69*DUM061ON$$

$$EEA_ID_DMANU = EEA_ID_WOOD + EEA_ID_3320 + EEA_ID_3330 + EEA_ID_3340 + EEA_ID_MFDNEC$$

$$EEA_ID_GOODS = EEA_ID_MANU + EEA_ID_2300 + EEA_ID_2100$$

$$EEA_ID_GV = EEA_ID_GVSL + EEA_ID_GVF$$

$$EEA_ID_GVF = 1930.694 + 667773.000*EG91*(ID0NPT/N) + 3105.423*EG91*(GFOR/GFR) - 2.647*TREND$$

$$EEA_ID_GVSL = EEA_ID_GVSLAD + EEA_ID_GVSLED$$

$$EEA_ID_GVSLAD = 2945.685 + 24614.845*MOVAV(ID0NPT,4) + 0.487*MOVAV(ID0YPTXB(-4),4)$$

$$EEA_ID_GVSLED = 10452.86 + 42075.390*ID0NPT*((N-N16A)/N) + 0.610*MOVAV(ID0YPTXB(-4),2) + 79.871*TREND$$

$$EEA_ID_MANU = EEA_ID_DMANU + EEA_ID_NMANU$$

$$EEA_ID_MFDNEC = -3649.058 + 126.198*MOVAV(ID0IPMFDNEC,2)$$

$$EEA_ID_MFNNEC = 948.668 + 1.573*(CNCSR+CNOOR) + 22.093*MOVAV(IPSG322,2)$$

$$EEA_ID_NMANU = EEA_ID_3110 + EEA_ID_3230 + EEA_ID_3250 + EEA_ID_MFNNEC$$

$$EEA_ID_NONGOODS = EEA_ID_SV + EEA_ID_4200 + EEA_ID_44_45 + EEA_ID_GV$$

$$EEA_ID_SV = EEA_ID_48_49_22 + EEA_ID_5100 + EEA_ID_52_53 + EEA_ID_54_55_56 + EEA_ID_61_62 + EEA_ID_71_72 + EEA_ID_8100$$

$$EEA_ID_WOOD = 18253.080 + 126.011*MOVAV(IPSG321,2) - 6837.399*(JULCNF/WPI08) - 53.799*IPSG321/EMD321 - 52.153*TREND$$

$$ID0AHEMF = -7.315 + 17.735*(EEA_ID_DMANU(-1)/EEA_ID_MANU(-1)*JULCNF) + 19.714*(EEA_ID_NMANU(-1)/EEA_ID_MANU(-1)*JULCNF)$$

$$ID0CRCROP = 3327.641 + 0.013*CRCROP + 416271.400*WPI01$$

$$ID0CRLVSTK = -340644.700 + 0.021*(CRCATCVS+CRDAIRY) + 9268.393*TREND$$

$$ID0EXFP = -48911.450 + 992456.100*WPI01 + 20336.090*TREND$$

$$ID0HSPR = ID0HSPRS1_A + ID0HSPRS2A_A$$

$$\begin{aligned} \text{ID0HSPRS1_A} &= -19.495 - 0.778 * (\text{RMMTGEXIST} - \text{MOVAV}(\text{RMMTGEXIST}(-1), 4)) \\ &+ 316.100 * (\text{ID0NPT}(-1) - (\text{MOVAV}(\text{ID0NPT}(-1), 8)) + 0.216 * (\text{PHU1EMEDNS} - \text{MOVAV}(\text{PHU1EMEDNS}(-1), 4)) + \\ &0.179 * \text{TREND} \end{aligned}$$

$$\begin{aligned} \text{ID0HSPRS2A_A} &= 5.593 + 35.168 * (\text{MOVAV}(\text{ID0NPT}(-1), 4) - \text{MOVAV}(\text{ID0NPT}(-5), 4)) \\ &- 0.239 * \text{MOVAV}(\text{RMMTGEXIST}, 4) - 0.003 * \text{TREND} * \text{RMMTGEXIST} \end{aligned}$$

$$\text{ID0KHU} = \text{ID0KHU1} + \text{ID0KHU2A}$$

$$\text{ID0KHU1} = ((0.997)^{0.25}) * \text{ID0KHU1}(-1) + \text{ID0HSPRS1_A}/4$$

$$\text{ID0KHU2A} = ((0.997)^{0.25}) * \text{ID0KHU2A}(-1) + \text{ID0HSPRS2A_A}/4$$

$$\text{ID0NB} = -11.068 + 39.781 * \text{ID0NPT} - 0.160 * \text{TREND}$$

$$\text{ID0ND} = 0.948 + 5.710 * \text{ID0NPT} + 0.009 * \text{TREND}$$

$$\text{ID0NMG} = (\text{ID0NPT} - \text{ID0NPT}(-4)) - (\text{ID0NB} - \text{ID0ND})/1000$$

$$\text{ID0NPT} = 0.422 + 0.000007 * \text{MOVAV}(\text{EEA_ID}, 4) + 0.004 * \text{TREND}$$

$$\text{ID0WBB\$} = \text{ID0WBBMF\$} + \text{ID0WBBOTH\$} + \text{ID0WBBCC\$} + \text{ID0WBBF\$} + \text{ID0WBBMIL\$}$$

$$\text{ID0WBBCC\$} = (\text{ID0WRWCC\$} * \text{EEA_ID_2300})/1000000$$

$$\text{ID0WBBF\$} = -129.022 + 321.023 * \text{WPI02}$$

$$\text{ID0WBBMF\$} = (\text{ID0WRWMF\$} * \text{EEA_ID_MANU})/1000000$$

$$\text{ID0WBBMIL\$} = 7.830 + 298.232 * (\text{ID0NPT}/N) * \text{GFMLCWSS}$$

$$\text{ID0WBBOTH\$} = \text{ID0WRWOTH\$} * (\text{EEA_ID} - \text{EEA_ID_2300} - \text{EEA_ID_MANU})/1000000$$

$$\text{ID0WRWCC\$} = 3696.920 + 1949.327 * \text{ID0AHEMF}$$

$$\text{ID0WRWMF\$} = 367.295 + 2785.306 * \text{ID0AHEMF}$$

$$\text{ID0WRWOTH\$} = -8231.479 + 2506.545 * \text{ID0AHEMF}$$

$$\text{ID0YDIR\$} = -161.206 + 1.111 * (\text{YPAIN} + \text{ZADIV} + \text{YPRENTADJ}) * \text{MOVAV}(\text{ID0YP\$}(-1), 4) / \text{MOVAV}(\text{YP}(-1), 4)$$

$$\text{ID0YFC\$} = -32178.870 + 0.882 * \text{ID0YFC\$}(-1) + 50199.370 * \text{WPI01}$$

$$ID0YINV_R\$ = -34563.38 + 0.816*ID0YINV_R\$_{(-1)} + 66261.84*WPI01$$

$$ID0YP = ID0YP\$/JPC*100$$

$$ID0YP\$ = ID0WBB\$ + ID0YSUP\$ + ID0YDIR\$ + ID0YPRNF\$ + ID0YPRF\$ + ID0YTR\$ + ID0YRA\$ - ID0YSIS\$$$

$$ID0YP\$PC = ID0YP\$/ID0NPT$$

$$ID0YPNF = ID0YPNF\$/JPC*100$$

$$ID0YPNF\$ = ID0YP\$ - ID0YPRF\$ - ID0WBBF\$$$

$$ID0YPNFPC = ID0YPNF\$/JPC*100/ID0NPT$$

$$ID0YPPC = ID0YP/ID0NPT$$

$$ID0YPRF\$ = 153.754 + 0.162*((ID0CRCROP+ID0CRLVSTK+ID0YTRF\$+ID0YINV_R\$-ID0YFC\$-ID0EXFP)/1000) + 2.663*TREND$$

$$ID0YPRNF\$ = 62.870 + 4.315*YPPROPADJNF$$

$$ID0YPTXB = (ID0WBB\$ + ID0YPRNF\$ + ID0YDIR\$ + (ID0YPRF\$ - ID0YINV_R\$/1000))/JPC*100$$

$$ID0YRA\$ = -92.601 + 0.036*ID0WBB\$$$

$$ID0YSIS\$ = -12.284 + 2.239*TXSIEC*ID0WBB\$/YPCOMPWSD$$

$$ID0YSUP\$ = 53.937 + 1.562*YPCOMPSUPPAI*ID0WBB\$/YPCOMPWSD$$

$$ID0YTR\$ = -5.947 + 841.588*(YPTRFGF+YPTRFGSL)*(ID0NPT/N)$$

$$ID0YTRF\$ = 25886.230 + 0.010*TRF\$$$

$$IDWAGE = (ID0WBB\$ - ID0WBBF\$ - ID0WBBMIL\$)/EEA_ID * 1000000$$

$$YPADJ_ID = ID0YPNF\$ + MOVAV(ID0YPRF\$,4) + MOVAV(ID0WBBF\$,4)$$

ENDOGENOUS VARIABLES

EEA_ID	Employment on nonagricultural payrolls, total
EEA_ID_2100	Employment in mining
EEA_ID_2300	Employment in construction
EEA_ID_3110	Employment in food processing
EEA_ID_3230	Employment in printing
EEA_ID_3250	Employment in chemicals
EEA_ID_3320	Employment in fabricated metal products
EEA_ID_3330	Employment in machinery
EEA_ID_3340	Employment in computers and electronic products
EEA_ID_4200	Employment in wholesale trade
EEA_ID_44_45	Employment in retail trade
EEA_ID_48_49_22	Employment transportation, warehousing, and utilities
EEA_ID_5100	Employment in information
EEA_ID_52_53	Employment in finance, insurance, and real estate
EEA_ID_54_55_56	Employment in professional, scientific, and technical services
EEA_ID_61_62	Employment in health care and educational services
EEA_ID_71_72	Employment in leisure and hospitality
EEA_ID_8100	Employment in other services
EEA_ID_DMANU	Employment in durable goods manufacturing
EEA_ID_GOODS	Employment in goods producing
EEA_ID_GV	Employment in government
EEA_ID_GVF	Employment in federal government
EEA_ID_GVSL	Employment in state and local government
EEA_ID_GVSLAD	Employment in state and local government, administration
EEA_ID_GVSLED	Employment in state and local government, education
EEA_ID_MANU	Employment in manufacturing
EEA_ID_MFDNEC	Employment in other durable manufacturing
EEA_ID_MFNNEC	Employment in other nondurable manufacturing
EEA_ID_NMANU	Employment in nondurable manufacturing
EEA_ID_NONGOODS	Employment in non-goods producing
EEA_ID_SV	Employment in services
EEA_ID_WOOD	Employment in wood products and logging
ID0AHEMF	Average hourly earnings in manufacturing
ID0CRCROP	Cash receipts, crops, not seasonally adjusted
ID0CRLVSTK	Cash receipts, livestock, not seasonally adjusted
ID0EXFP	Farm production expenses
ID0HSPR	Housing starts, total
ID0HSPRS1_A	Adjusted housing starts, single units
ID0HSPRS2A_A	Adjusted housing starts, multiple units
ID0KHU	Housing stock, total
ID0KHU1	Housing stock, single units
ID0KHU2A	Housing stock, multiple units
ID0NB	Number of births
ID0ND	Number of deaths
ID0NMG	Net in-migration of persons
ID0NPT	Resident population

ID0WBB\$	Wage and salary disbursements
ID0WBBCC\$	Wage and salary disbursements, construction
ID0WBBF\$	Wage and salary disbursements, farm
ID0WBBMF\$	Wage and salary disbursements, manufacturing
ID0WBBMIL\$	Wage and salary disbursements, military
ID0WBBOTH\$	Wage and salary disbursements, except farm, manufacturing, and construction
ID0WRWCC\$	Average annual wage, construction
ID0WRWMF\$	Average annual wage, manufacturing
ID0WRWOTH\$	Average annual wage, except manufacturing, construction, and farm
ID0YDIR\$	Dividend, interest, and rent income
ID0YFC\$	Corporate farm income
ID0YINV_R\$	Farm inventory value changes, imputed rent, and income
ID0YP	Total personal income, 2000 dollars
ID0YP\$	Total personal income
ID0YP\$PC	Per capita personal income
ID0YPNF	Nonfarm personal income, 2000 dollars
ID0YPNF\$	Nonfarm personal income
ID0YPNFPC	Per capita nonfarm income, 2000 dollars
ID0YPPC	Real per capita personal income
ID0YPRF\$	Net farm proprietors' income
ID0YPRNF\$	Nonfarm proprietors' income
ID0YPTXB	Tax base, 2000 dollars
ID0YRA\$	Residence adjustment, personal income
ID0YSI\$	Contributions for social insurance
ID0YSUP\$	Other labor income
ID0YTR\$	Transfer payments to persons
ID0YTRF\$	Government payments to Idaho farmers
YPADJ_ID	Adjusted total personal income

EXOGENOUS VARIABLES

CNCSR weighted	Personal consumption expenditures, clothing and shoes, 2000 dollars, chain
CNOOR	Personal consumption expenditures, other nondurable goods, 2000 dollars, chain weighted
CRCATCVS	Cash receipts, U.S. cattle and calves
CRCROP	Cash receipts, U.S. crops
CRDAIRY	Cash receipts, U.S. dairy
DUM061ON	These are dummy variables used in regression equations for the purpose of capturing the impacts of discrete economic or noneconomic event such as strikes, plant opening, or closures, unusual weather conditions, etc.
DUM911011	
DUM931964	
DUM951ON	
DUM98011004	
DUM981ON	
TREND	
EG91	Employment in federal government
EMD321	Employment in Wood Products
EMD334	Employment in Computer and Electronic Products
EMN311	Employment in Food Manufacturing
EMN323	Employment in Printing and Related Support Activities
GFMLCWSS	Federal government defense personnel outlays
GFOR	Real federal nondefense purchases of goods and services
GFR	Real federal purchases of goods and services
ID0IP2122_2123	Industrial production index, metal and nonmetal ore mining, 2002=100.0
ID0IPMFDNEC	Industrial production index, other nondurable goods, 2002=100.0
IPSG311	Industrial production index, food, 2002=100.0
IPSG321	Industrial production index, wood products, 2002=100.0
IPSG322	Industrial production index, paper, 2002=100.0
IPSG323	Industrial production index, printing, 2002=100.0
IPSG3253	Industrial production index, agricultural chemicals, 2002=100.0
IPSG332	Industrial production index, fabricated metal products, 2002=100.0
IPSG3332	Industrial production index, industrial machinery, 2002=100.0
IPSG3341	Industrial production index, computer and peripheral equipment, 2002=100.0
IPSG51111	Industrial production index, newspaper publishing, 2002=100.0
JPC	Implicit price deflator, personal consumption, 2000=100.0, chain weighted
JULCNF	Index of unit labor costs, nonfarm business sector, 1992=1.0
N	Population, U.S.
N16A	Population, U.S., aged 16 and older
PHU1EMEDNS	Median sales price of existing single-family homes
RADR	Real research and development spending, 2000 dollars, chain weighted
RMMTGEXIST	Effective conventional mortgage rate, existing homes, combined lenders
SP500	Standard & Poor's 500 index of common stocks
TRF\$	Government payments to U.S. farms

TXSIEC	Personal contributions for social insurance, U.S.
WPI01	Producer price index, farm products, 1982=1.0
WPI02	Producer price index, processed foods and feeds, 1982=1.0
WPI08	Producer price index, lumber and wood products, 1982=1.0
WPI10	Producer price index, metals and metal products, 1982=1.0
YP	Personal income
YPAINT	Personal interest income
YPCOMPSUPPAI	Other labor income, U.S.
YPCOMPWSD	Wage and salary disbursements
YPPROPADJNF	Nonfarm proprietors' income (with inventory valuation and capital consumption adjustments)
YPRENTADJ	Rental income of persons with capital consumption adjustment
YPTRFGF	Federal transfer payments to individuals
YPTRFGSL	State and local transfer payments to individuals
ZADIV	Dividends